

IRVINE

CALIFORNIA

UNIQUELY QUALIFIED | INCOMPARABLY PREPARED





1 City with world-class coastal location and in-place government approvals for buildout of entire office campus workspace

+

1 Office master builder with all necessary land, buildings and capital, plus full flexibility to customize lease contract terms

=

HQ2 for **50,000**
talented innovators moving
at the speed of Amazon

WORKING BACKWARDS PRESS RELEASE

We understand that Amazon associates often use a “working backwards” internal press release to vet new ideas. We have borrowed this approach to introduce Irvine’s proposed HQ2 solution.

ONE-CLICK HQ2

Amazon launches unique HQ2 solution to attract and retain tomorrow’s top talent.

SUMMARY

Today, Amazon announced the launch of its new HQ2 in the City of Irvine located in the heart of Southern California. In an unprecedented public-private partnership, the City of Irvine and Irvine Company joined forces with Amazon to establish an innovation hub for global talent, with premium workspace requiring no upfront capital from Amazon. The clear choice for Amazon’s HQ2 is Irvine—a thriving city with regional access to more than 30,000 annual STEM graduates and more than 400,000 STEM professionals and top talent from around the world who choose the region for its high quality of life. Amazon decided to expand upon its current 1,200-person location in Irvine Spectrum, the business hub and lifestyle center of Orange County—which is the sixth largest county in the US and home to 3.2 million people. The company was able to accelerate its plans to immediately accommodate 10,000 employees into existing buildings in Irvine Spectrum, with capacity to locate another 10,000 people in one of three newly constructed Irvine campuses by the end of 2018.

Southern California is attractive to Amazon as it has long been the home of customer-centric innovation, trend-setting companies, breakthrough technologies, inspiring storytelling, and a globally-connected, diverse and progressive population. The company chose Irvine because it believes the Amazon culture operates best in the fabric of a vibrant and diverse city, with sustainable physical and social infrastructure where its cultural diversity and energy fuels the minds of its creative and entrepreneurial workforce. Amazon opted to leverage Irvine Company’s capital resources, unparalleled credit rating and ownership flexibility to deliver all of their desired workspace in customized increments and terms, allowing Amazon to instead dedicate all its capital to grow the company’s global platform.

PROBLEM

As Amazon continues to disrupt the status quo across an increasing number of industries, the company’s leadership determined this was an optimal moment to choose a second headquarters in a complementary city and region. This new location needs to have the infrastructure in place to meet Amazon’s rigorous connectivity needs and to accommodate up to 50,000 employees in a vibrant workplace community. HQ2 must be located in a desirable place that can act as a recruiting and retention tool. Most importantly, HQ2 must have a high concentration of existing STEM professionals, particularly software engineers, and a K-Higher Education pipeline of fresh talent. Finally, Amazon wants to move quickly with maximum flexibility to grow their footprint at the Day One pace of business.

SOLUTION

THE CITY OF IRVINE AND IRVINE COMPANY ARE AMAZON’S HQ2 SOLUTION BASED ON AN OPTIMAL MATCHING OF FINANCIAL AND PHYSICAL RESOURCES, ALONG WITH THE BENEFITS FROM 50+ YEARS OF MASTER PLANNING FOR FUTURE WORKPLACE TALENT:

- Globally-recognized talent pipeline from 7 of the Top 50 US Universities located within driving distance, including Top 10 public university, UCI
- Thriving Irvine Spectrum district provides unmatched business and lifestyle opportunity
- Efficient physical connectivity with well-planned land and air travel routes
- Downtown and suburban residential options with world-renowned public school system
- Modern, built-in fiber and broadband infrastructure
- Multiple HQ2 sites with immediate, short and long-term availability for modern workspace
- \$0 upfront capital and flexible contract terms with Irvine Company’s unique qualifications

“We searched far and wide for the optimal HQ2 and Irvine was the **best** downtown environment with the talent, infrastructure and timeline to meet our immediate and long-term needs. Irvine Company provided a unique solution that allows Amazon to focus our capital on driving shareholder value.”

Amazon Executive

“Amazon has been the ideal place to grow my career. I relocated to HQ2 in Irvine because great public schools for our children are a top priority. We were so pleased to find a vibrant, diverse lifestyle and business center in Irvine Spectrum. It’s truly the best of both worlds...and the weather isn’t bad either.”

Amazon Employee



6

What makes Irvine uniquely qualified and incomparably prepared is simple:

TOP TALENT
(AND LOTS OF IT)
LIVES, WORKS AND
THRIVES HERE.

7

SHARED VALUES OF
CUSTOMER CENTRICITY AND
LONG-TERM PLANNING.

IRVINE CAN DELIVER
EVERYTHING AMAZON NEEDS,
WITH \$0 CAPITAL,
STARTING IMMEDIATELY.



Donald P. Wagner, Mayor

cityofirvine.org

1 Civic Center Plaza, Irvine, CA 92606-5208

949-724-6233

October 12, 2017

Amazon
Office of Economic Development
c/o Site Manager Golden
2121 7th Ave
Seattle, WA 98121

Dear Mr. Bezos and Board of Directors:

The City of Irvine has prepared this unique proposal to serve as Amazon's second headquarters because no other city in North America can offer you a fully financed and fully approved headquarters in the center of the country's largest technology recruitment region. And no other city has partnered the way we have with Irvine Company, our business community, and the entire Orange County region to become Amazon's perfect HQ2 site.

Nearly 50 years ago, the City of Irvine was established with a comprehensive master plan creating balance between jobs, housing, and an active, outdoor lifestyle. Today, we are a thriving city of nearly 270,000 residents in the middle of Orange County, the sixth largest county in the U.S. with 3.2 million residents. Orange County is geographically located adjacent to Los Angeles to the north and San Diego to the south. This coastal Southern California region has more than 16 million residents attracted here by the weather, the diversity, an entrepreneurial culture, and the breathtaking scale of opportunities found nowhere else in the world.

We understand Amazon's top priority to be the recruitment and retention of the best and brightest minds. By locating its headquarters in Irvine, Amazon will have access to nearly 415,000 STEM workers, the largest pool in North America. It will also have access to more than 130 higher education institutions (including seven world-class, Top 50 ranked universities), which collectively produce more than 30,000 STEM graduates per year. Our proposal details all the supporting facts that make Southern California – with Irvine at its center – the largest and best opportunity for Amazon to achieve its goal of locating 50,000 employees in 8 million square feet of first class office space.

Nearly 72% of our adult residents have a bachelor's degree or higher, ranking No. 1 across large cities in the U.S. And 32% of Irvine's adult population holds a master's degree or higher, ranked No. 2 in the nation.

Amazon asked for cities to apply with a large university in their midst. The master plan of Irvine began with the big idea of building an education-oriented city around a major public university. Irvine Company donated 1,000 acres in 1959 to make it happen and today the University of California, Irvine has 34,000 enrolled students, of which 42% of undergraduates obtain a degree in a STEM related field.

U.S. News & World Report recently ranked UCI the 9th best public university in the nation for the third consecutive year. Our proposal provides important details on its programs, as well as other top universities in Orange County and the region. Additionally, the Irvine Unified School District is one of the finest in the nation. Astoundingly, 90% of our high school graduates go to college!

Irvine was just designated for the 12th year in a row as the safest city of its size in America. And, we are most proud of our diversity, with residents coming from every corner of the world to enjoy our lifestyle as we celebrate our many cultures with festivals and programs.

But recruitment is only half the battle. Retention of the best requires not only a great workplace but a great lifestyle. Irvine's weather and natural setting are the envy of the world, with famous beaches and surfing within minutes of Irvine. Moreover, our city has a master-planned open space system that is one of the largest per capita in the United States, and includes 16,000 acres of protected natural open space and more than 360 miles of bikeways. We are building the 1,300-acre Orange County Great Park in the middle of our city that is 1.5 times larger than Central Park in New York.

We are an easy drive to world-class entertainment, arts, and culture that can be enjoyed year round due to our climate and location.

Irvine has been selected as one of only 10 communities for the initial rollout of Google Fiber. Google Fiber is actively building out its network and expanding its commercial and residential customer base throughout Irvine.

I hope our proposal demonstrates the natural strengths of Irvine. But it is also important to consider the ease with which Amazon can set up and operate its second headquarters in Irvine. That starts, again, with the Irvine Master Plan, which has a central business district consisting of a rich mix of office, housing, retail, and entertainment. We call it the Irvine Spectrum. Because of the forward-looking master plan, the Irvine Spectrum has already been designed for 30 million square feet, and can accommodate your 8 million square foot requirement without any new government entitlements.

As to assembling 8 million square feet once you have picked a city, please consider the letter in this proposal from Donald Bren, Chairman of Irvine Company. The Irvine Company has stepped forward to finance all 8 million square feet. They have the approved land, buildings, and financial credit to meet or beat your schedule with just one company. Our other property owners in the Irvine Spectrum stand ready to help as well. No other city in North America can offer Amazon this level of certainty. Assembling that much space elsewhere could very likely require working with dozens and dozens of owners in other cities, creating unknown costs and requiring uncertain, and expensive, government approvals. Irvine avoids all of that.

With respect to Amazon's workforce, there are 9,000 apartments in the Irvine Spectrum and 2 million square feet of restaurants, retail, and entertainment making the Irvine Spectrum of today a walkable, bikeable thriving downtown.

Moreover, the Spectrum's Irvine Station is the second-busiest rail station in Orange County, serving more than 1 million commuters annually and connecting Irvine with Los Angeles and San Diego Counties. Los Angeles International Airport is 36 miles away and Irvine's regional airport, John Wayne, services 11 million passengers annually. It is the sixth busiest airport in California. It is on our border with Newport Beach and is ranked by J.D. Power as the Best Large Airport in North America for customer satisfaction.

In short, we invite you to ask the 900 technology companies that call Irvine home, including your Amazon office in Irvine, about our amenities and lifestyle.

Through our forward planning and the Irvine Company offer, we believe that Irvine can save Amazon \$5 billion it will otherwise have to spend to buy, design, and entitle land and buildings for its new campus.

Our master plan is our incentive to utilize our long-range forward planning to cut time and risk. Our state, county, and city transportation agencies have a region wide, \$11 billion, 10-year road map of planned projects for this area, to allow us to grow our business community and maintain mobility. We also have a commitment from Governor Brown to expedite projects that will improve mobility in our region. We plan for growth decades in advance, and are in the unique position to accommodate your requirements.

Irvine is excited about the opportunity to showcase itself, and more so, about the prospects of welcoming Amazon's HQ2 to our wonderful city!

We look forward to speaking with your Selection Team.

Sincerely,

Donald P. Wagner
Mayor, City of Irvine

October 12, 2017

Mr. Jeffrey Bezos
Amazon
1200 12th Avenue South
Suite 1200
Seattle, WA 98144

Dear Mr. Bezos:

Irvine Company is pleased to be part of the enthusiastic consortium including the City of Irvine and the County of Orange – with support from the State of California – seeking to attract Amazon’s proposed North American HQ2 to the City of Irvine and Irvine Spectrum.

Irvine Company is uniquely qualified to fulfill the financial and real estate requirements for your Amazon HQ2 in a timely manner to meet your schedule. Irvine can offer Amazon more than 8 million square feet of first class office space.

10 If you are ready for immediate occupancy, the first phase is available with the balance of space to be delivered in increments when Amazon needs it.

With the Irvine Company proposal, Amazon will not be required to invest capital for land acquisition, buildings, or entitlements to build your new business campus.

Our company has the long-term real estate assets, capital resources and flexibility to deliver all your required workspace with lease durations of Amazon’s choosing.

In essence, you would have a one-click shopping opportunity and be able to capitalize on our in-place property development rights, thus avoiding potential delays, because Irvine Company has invested more than 60 years master planning 93,000 acres of land, and designing and overseeing the creation of the largest new city in America...Irvine, California.

One of our company’s proudest achievements is the master-planned City of Irvine, which includes Irvine Spectrum – in essence a city center within-a-city. It has become Orange County’s “downtown”, an economic powerhouse with more than 900 technology companies, 30 million square feet of office space, 9,000 apartment homes and an extraordinary major lifestyle center, offering a galaxy of shopping, 50 restaurants and entertainment. It also includes a Tom Fazio championship golf course, a long network of bike trails and access to Irvine’s train station.

The City of Irvine is known for a great road transportation system, abundant water resources, excellent schools – including magnificent UCI – countless parks and dedicated open spaces, and outdoor recreation.

The ultimate judge of what we’ve done is the marketplace. Businesses and individuals have chosen to live here. And they keep coming. Today, Irvine is ranked by various sources as America’s fastest growing, most desirable, best educated, safest and healthiest large city.

I would encourage you to seriously consider Irvine’s proposal as offering the possibility of an HQ2 without compromise: A vibrant city center location, the best climate in North America, the largest pool of STEM professionals and graduate talent, unmatched lifestyle, optimal business terms, and the ability to create your future headquarters exactly when, where and how your business needs require.

Irvine’s incomparable combination of attributes is Amazon’s solution for an HQ2 that is fast, flexible and friction-free, and a long-term decision that will reward you and your employees with countless benefits.

Sincerely,



Donald Bren
Chairman

P.S., It’s 74 degrees on this beautiful October day, the sun is out and the surf’s up at our spectacular beaches. Please come join us! The water, like the place, is the perfect temperature.

11



OFFICE OF THE GOVERNOR

October 12, 2017

Jeffrey Bezos
1200 12th Avenue South
Suite 1200
Seattle, WA 98144

Dear Mr. Bezos:

I write to encourage you to give careful consideration to the many California cities interested in becoming the next home for Amazon's newest headquarters.

Having already invested in new facilities in our state, and partnered with us on smart public policy solutions, Amazon knows firsthand what California has to offer - but it bears repeating.

The Golden State is home to the best universities and research institutions in the world, a uniquely qualified and talented workforce and the most dynamic combination of innovation and investment on the planet. In fact, more than half of all venture capital investment flows to California and more than a quarter of all new patents in America originate here. We also lead the nation in manufacturing output and jobs.

Beyond these strengths, we have a government in California that works - and our public investment in infrastructure and affordable housing solutions is unparalleled. In recent months I signed landmark legislation - passed by supermajority votes in the State Legislature - to help increase the supply and affordability of housing in California and invest \$54 billion in our roads over the next ten years. We are also building the country's only high-speed rail system.

These are among the many reasons why 53 Fortune 500 companies are headquartered in cities across the state and why 24 of the 100 fastest growing companies - including four of the top ten - call California home. Put simply: there is no better place for a business like yours to continue to grow.

I look forward to speaking with you about how we can work together to bring Amazon's newest headquarters to California.

Sincerely

A handwritten signature in black ink, reading 'Edmond G. Brown Jr.' with a stylized flourish at the end.

Edmond G. Brown Jr.

NO OTHER LARGE CITY
IN AMERICA IS AS
EQUIPPED TO MEET
AMAZON'S NEEDS.

HQ2 RFP
REQUIREMENTS

amazon CRITERIA

- ✓ A STABLE BUSINESS CLIMATE FOR GROWTH AND INNOVATION
- ✓ A METROPOLITAN AREA WITH MORE THAN ONE MILLION PEOPLE
- ✓ STRONG PIPELINE OF SOFTWARE DEVELOPMENT ENGINEERING TALENT
- ✓ A HIGHLY-EDUCATED LABOR POOL
- ✓ STRONG LOCAL CULTURE AND DIVERSITY
- ✓ TOP PERFORMING PUBLIC SCHOOLS
- ✓ FORWARD-THINKING LOCAL GOVERNMENT
- ✓ EXCEPTIONAL QUALITY OF LIFE AND RECREATION
- ✓ EXCELLENT TRAVEL LOGISTICS
- ✓ A COMMUNITY THAT THINKS BIG AND CREATIVELY
- ✓ A HIGH LEVEL OF CONNECTIVITY
- ✓ A PRIORITY ON SUSTAINABILITY
- ✓ URBAN, SUBURBAN OR DOWNTOWN CAMPUS LOCATIONS
- ✓ DEVELOPMENT PREPPED SITE
- ✓ WITHIN 30 MILES OF POPULATION CENTER
- ✓ WITHIN 45 MINUTES OF INTERNATIONAL AIRPORT
- ✓ WITHIN 1-2 MILES OF MAJOR HIGHWAYS
- ✓ DIRECT ACCESS TO MASS TRANSIT
- ✓ MORE THAN 500,000 SQUARE FEET OF OFFICE SPACE IN 2019 OR BEFORE
- ✓ EXCEEDING 8 MILLION SQUARE FEET AT FULL BUILDOUT
- ✓ EFFICIENT TIME TO OPERATIONS

TOP 6 REASONS TO CHOOSE IRVINE

01

THE BEST CITY

A masterfully planned,
thriving center of business
and innovation in the nation's
fastest growing large city

02

AN UNBEATABLE LIFESTYLE

Ranked among the most desirable
cities to live in the United States
for 10 straight years, it's the best of
Southern California

03

TOP TALENT & STEM EDUCATION

Built upon the cornerstone of a
Top 10 Public University, centered
in a region employing the highest
concentration of STEM workers in
the country, it's a deep resource
pool for forward-thinking companies

04

CONNECTED REGIONAL HUB

At the geographic center
of Southern California with
an efficient, well-connected
transportation network

05

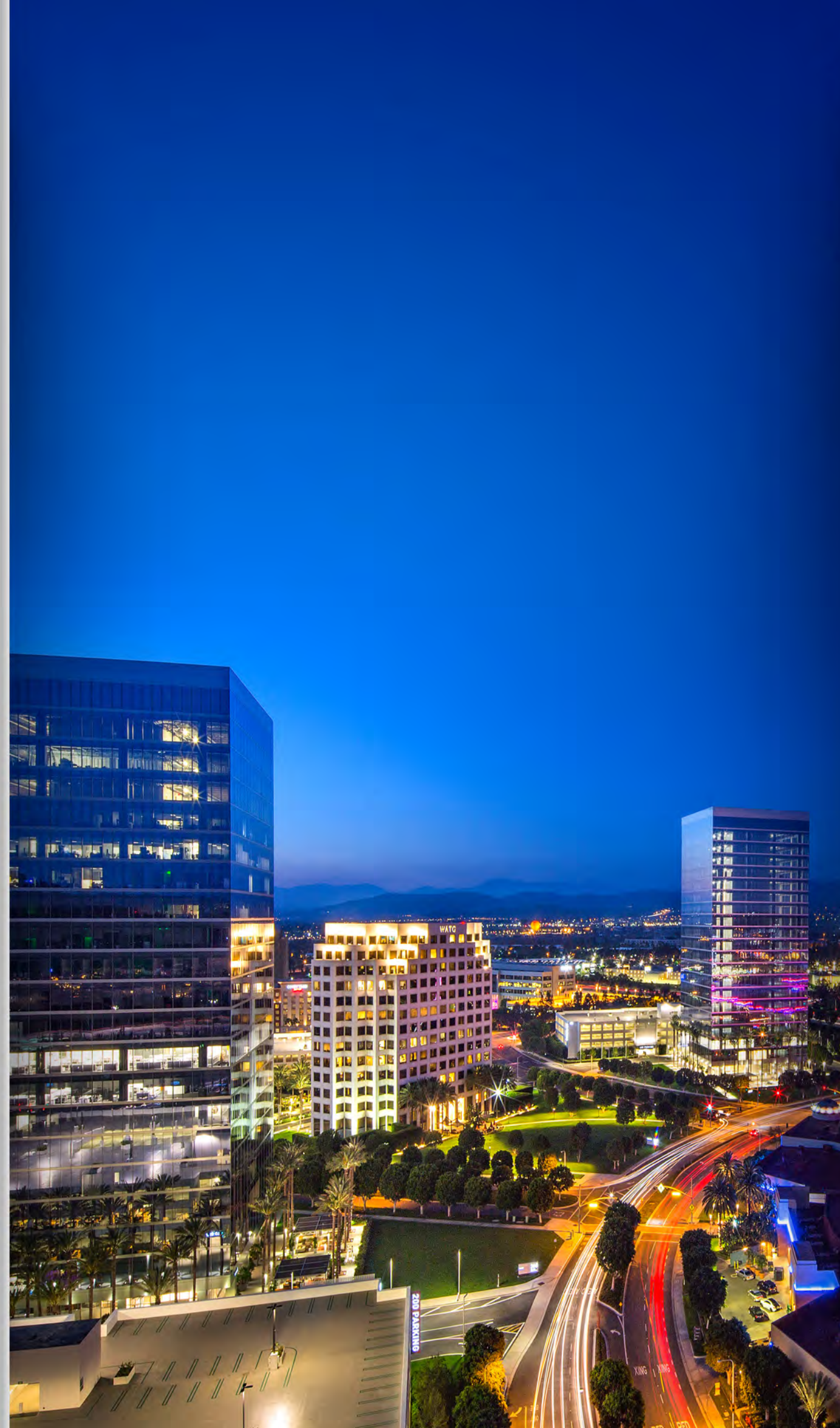
UNIQUE OPPORTUNITIES FOR A CONNECTED CAMPUS

Highly attractive HQ2
opportunities in the heart
of a thriving business and
lifestyle district

06

A ONE-CLICK HQ2

Fully entitled, requiring
no capital from Amazon
and available immediately





01

IRVINE: THE BEST CITY

#1

MASTER-PLANNED
CITY

#1

IN PUBLIC SAFETY
AMONG LARGE US CITIES

#1

IN EDUCATIONAL
ATTAINMENT AMONG
LARGE US CITIES

#1

IN FISCAL STRENGTH
IN THE NATION

\$100k

MEDIAN
INCOME

#1

FASTEST GROWING
LARGE CITY IN US

35

MEDIAN AGE
IN IRVINE

+90%

IRVINE HIGH
SCHOOL GRADUATES
ATTEND COLLEGE

#1

SOCAL IS THE
LARGEST ECONOMY
IN THE US



O1

THE BEST CITY

Irvine's 57 years of preparation and innovation make it uniquely qualified to be the future home for Amazon's HQ2.

MASTERFULLY PLANNED FOR SMART GROWTH

The foundation for developing America's most successful planned city began with a visionary concept to create a large-scale sustainable community. It was designed to provide a thoughtful balance of working, living, learning and recreational environments. A historic land grant from Irvine Company to create the University of California, Irvine provided a foundation for innovative business, housing, shopping centers, a hierarchy of roads, and vital infrastructure without disrupting the natural landscape.

Principles of long-term investment and ownership, thoughtful stewardship, continual innovation, exacting standards, exceptional customer experiences and collaborative citizenship have guided this bold, long-range vision. Careful management and an evolving roadmap that unfolds with the participation of residents, civic leaders, and city agencies have created one of the most desirable places to live in the United States and a perfect opportunity for Amazon to weave seamlessly into the fabric of the city.

10

YEARS AS TOP 20
MOST DESIRABLE
PLACES TO LIVE



IRVINE COMPANY CHIEF PLANNER
RAY WATSON (RIGHT) IN THE 1960'S



The ultimate recruiting and retention advantage for HQ2

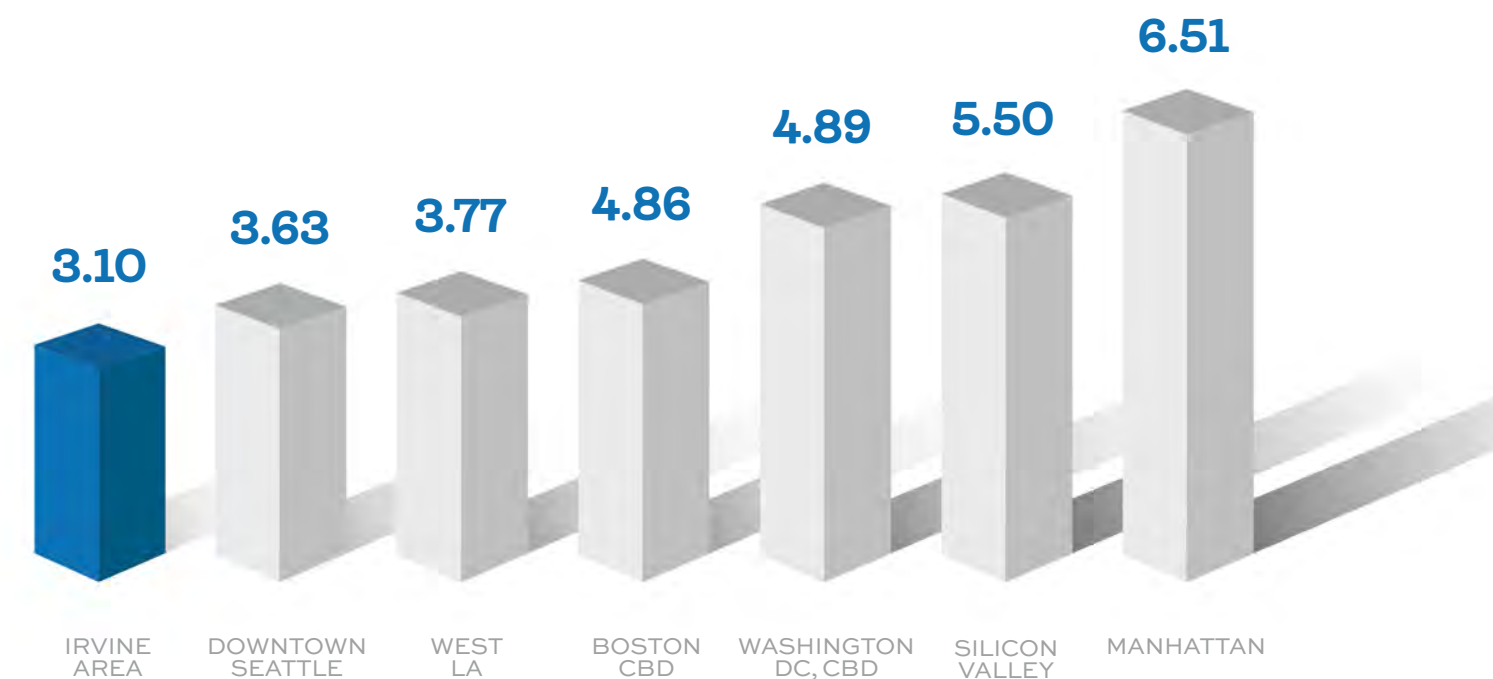
22

Irvine is a thriving center of business, innovation and dynamic growth, and it keeps getting better. Housing over 900 technology companies and representing one of the most educated populations in the United States, Irvine is a business environment well-suited for Amazon's consistently high-performing culture. The city's growing tech corridor is already home to public company leaders like Blizzard Entertainment, CoreLogic, and

Alteryx as well as emerging, venture-backed firms like Cylance and Autogravity. Local venture capital investment continues to grow. Orange County's VC investment ranks in the Top 10 US metros (#9), and Irvine has captured over 50% of the county's share since 2011. As Orange County's tech market, Irvine is perfectly positioned to foster go-forward growth and innovation.

+900
TECH COMPANIES
LOCATED IN IRVINE

AFFORDABLE CLASS A OFFICE RENTS



A premier, business-friendly environment

23

A thriving economy, comparatively low Class A office rents and a stable, business-friendly climate ensures the continuous reinvestment in high-functioning civic infrastructure and ongoing support of the entire community.

With one of the highest office-using shares of employment among large cities in the nation, Irvine is Orange County's preferred location for premier professional

and technical talent. Catering to this demand, the city is home to a wide-array of office space solutions for businesses to grow and thrive, from low-rise creative office space to Class A high-rise towers. Compared to other gateway markets, Irvine offers excellent value—with Class A rents 15% lower than downtown Seattle—while providing the quality environment and lifestyle top talent expects.

30M
EXISTING AND
ENTITLED COMMERCIAL
OFFICE SPACE IN
IRVINE SPECTRUM



A healthy and diverse housing market

24

Orange County’s housing market can easily accommodate Amazon’s diverse and high-growth HQ2 workforce needs. The City of Irvine and its partners are committed to a healthy jobs/housing balance in close proximity to job centers.

This helps enhance quality of life, reduce congestion, support long-term economic stability and provide a wide variety of available, nearby housing options for Amazon’s workforce.

1.1M
TOTAL HOUSING
UNITS IN
ORANGE COUNTY

A digitally connected city

25

Irvine has built-in connectivity throughout the city. It is a fiber-rich community and one of only ten initial Google Fiber communities in the US. Irvine is broadly covered by both 3G and 4G LTE cellular technology by the four major mobile network operators and has already laid the groundwork to be a leader in 5G technology. It is also an innovative test bed for enterprise infrastructure, customer

experience and community engagement capabilities. The UCI Cybersecurity Policy and Research Institute provides a great partnership opportunity to solve complex cybersecurity, legal and social issues. More than 50 years of smart planning and innovative technology maximize efficiencies and can accommodate Amazon’s immediate and long-term requirements.

ONE OF ONLY
10
INITIAL CITIES
SELECTED FOR
GOOGLE FIBER



IRVINE SPECTRUM

Expansive, sustainable and resilient infrastructure

At the heart of our thriving city is Irvine Spectrum, a modern, connected city center and an ideal site for Amazon's HQ2

Irvine has a modern city infrastructure built for growth, advanced health care institutions and for more than a decade has been the safest city of its size in America. With a commitment to

sustainability and conservation, continual reinvestment in 'smart' infrastructure, and a commitment to education, the City of Irvine is invested in providing the highest quality of life possible.

The Irvine Spectrum area embodies a vibrant and sustainable new ideal for all of Southern California. It includes Irvine Spectrum Center and the Spectrum business district (with more than 24 million square feet of existing workspace accommodating a modern workforce nearing 100,000). Irvine Spectrum also features 9,000 existing and entitled premium apartment homes and 2,000 for-sale homes, a rich assortment of entertainment, 80+ dining options, shopping, and countless lifestyle activities. Irvine Spectrum is easily accessible from three major freeways with quick access to hundreds of miles of biking and

hiking trails, unique hotels, multimodal transportation and pedestrian friendly pathways. It seamlessly combines the dynamic requirements of metropolitan living with an active Southern California lifestyle. The highly social, high-energy community taps into the power of the shared intellectual, innovative and creative spirit to create a distinctive and diverse character. Estimated to house over 60% of Irvine's technology professionals, Irvine Spectrum is a thriving downtown for all of Orange County and a vital driver of the economic health and future growth of the city.

\$160M

INVESTED IN IRVINE'S
TRANSPORTATION
INFRASTRUCTURE
OVER LAST 10 YEARS

AMAZON IN IRVINE

AMAZON CURRENTLY LEASES NEARLY 270,000 SQ. FT. IN IRVINE COMPANY-OWNED OFFICE BUILDINGS IN IRVINE SPECTRUM, HOUSING 1,200 EMPLOYEES, PRIMARILY SOFTWARE DEVELOPERS.

NEARLY 20% OF AMAZON'S IRVINE-BASED EMPLOYEES LIVE IN IRVINE COMPANY-OWNED APARTMENTS. MORE THAN 10% ARE WITHIN WALKING DISTANCE OF AMAZON'S OFFICES.





02

IRVINE: AN INCOMPARABLE LIFESTYLE

300

DAYS OF SUNSHINE
PER YEAR

#10

OC'S RANK
IN THE USDA'S
NATURAL AMENITY
STRENGTH INDEX

#1

RANKED
MASTER-PLANNED
COMMUNITY
IN THE US

7TH

BEST PARK SYSTEM
IN THE NATION. MORE
THAN 16,500 ACRES
IN IRVINE

2^M

SQUARE FEET OF
RETAIL, DINING,
& ENTERTAINMENT IN
THE IRVINE
SPECTRUM AREA

360

MILES OF ON AND
OFF-STREET BIKEWAYS

10

MILES FROM OC'S
BEST BEACHES &
COASTAL COMMUNITIES

57^k

ACRES
PERMANENTLY
PRESERVED AS
OPEN SPACE ON
THE IRVINE RANCH

1.3^k

ACREAGE IN
THE GREAT PARK

02

AN INCOMPARABLE LIFESTYLE

The Best of Southern California

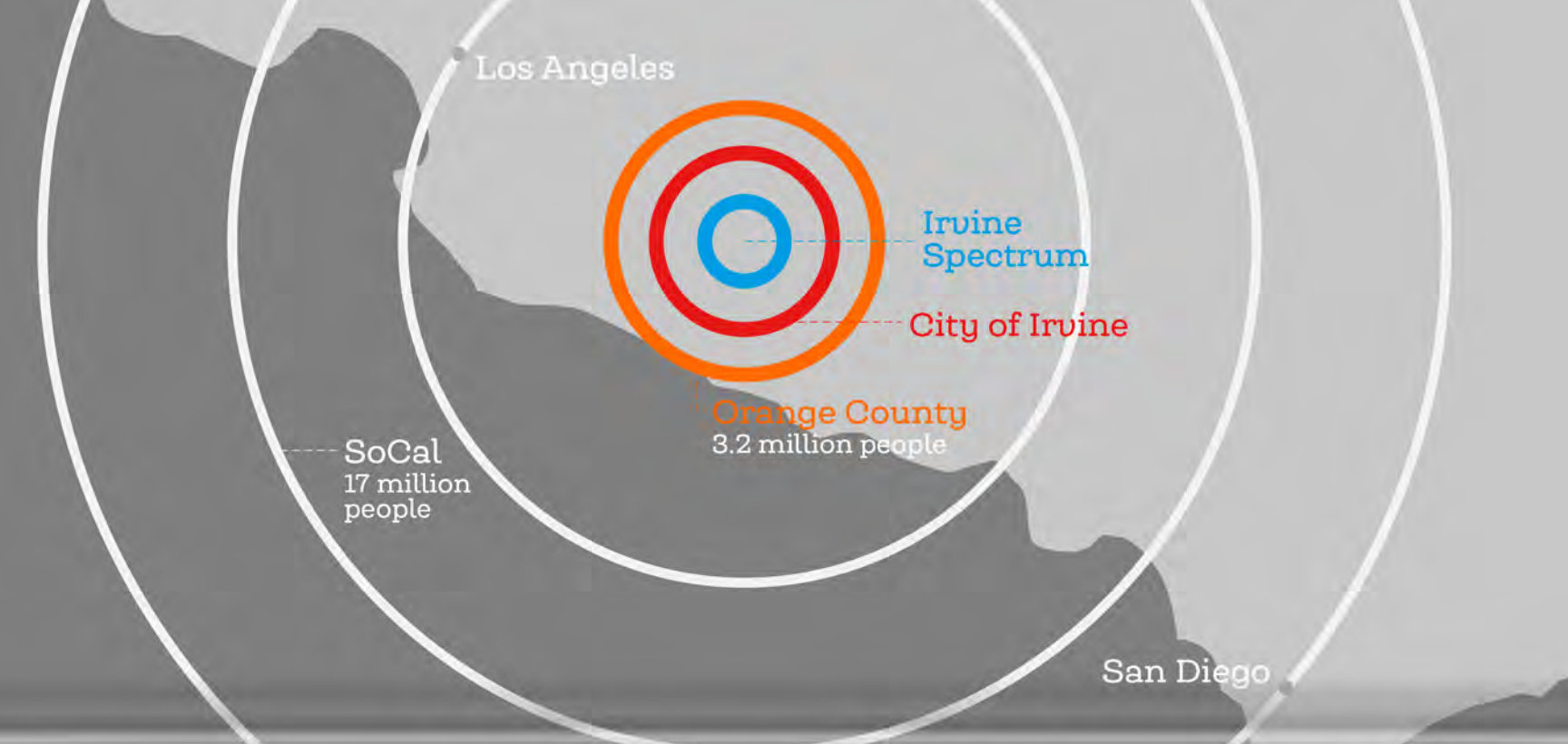
The Southern California lifestyle is renowned across the globe. A natural setting of striking physical beauty includes beaches and coastlines, open hills and mountain ranges, and provides an endless

resource of recreation, activity, adventure and amusement. Southern California is also a global trend-setting environment for world-class arts, entertainment, fashion, food and culture.

300

DAYS OF SUNSHINE
PER YEAR





**In Southern California,
it's always Day One.**

36

Southern California has always been the home of new ideas, cultural trends, technologies, stories, and fascinating companies and people. It's a culture of innovation and creativity; a landscape as far-reaching as Amazon's business that is rich in resources, opportunity, access and an unparalleled quality of life. It spans from San Diego to Los Angeles, and includes Hollywood, the South Bay, Silicon Beach and all communities in between. Home to nearly 17 million people, the region is one of the most productive in the world—if it were a country, Southern California would rank 15th largest among global economies. It is also considered the best logistics market in the country, with the ports of LA/Long Beach the largest in the US by trade volume.

In addition to a thriving entertainment and tourism industry, SoCal is a business center for software, automotive, ports, finance, biomedical, and regional/global logistics. Six FAA recognized "hub" airports, including two major hubs (LAX and SNA), combine with an efficient coastal rail system to connect the region and the rest of the world.

Southern California is also home to multiple world class universities, seven of which are ranked in the top 50, including UCI, USC, UCLA, UCSD, and Caltech. Southern California universities award more than 30,000 STEM degrees per year, the second most in the country.

**Irvine: The heart of
Orange County and SoCal**

37

Irvine is at the center of the 6th largest county in the United States. Orange County, home to 3.2 million people, conveniently accesses the full breadth of natural, economic and lifestyle resources of the region. It is admired as a growing, global center of disruptive contemporary design, innovation and exchange. Orange County is a truly unique business and cultural environment set within a landscape of inspiring natural beauty.

Orange County is also a world-renowned destination for business and tourism, with

more than 40 miles of majestic coastline, iconic destinations like Disneyland and Knott's Berry Farm, and more than 500 hotels and 55,000 guest rooms. Surrounding the City of Irvine is a tapestry of distinctive Orange County cities and coastal communities, including Newport Beach, Laguna Beach, Corona del Mar, and Huntington Beach, which meet the lifestyle priorities and commuting preferences of a dynamic workforce. It is among the country's most desirable places to live and work.



A great place to call home

Irvine offers a dynamic mix of distinctive residential villages with embedded schools, shopping and amenities. A wealth of apartment communities in close proximity to education, job centers,

convenient shopping and activity add to a diverse and balanced housing supply with the continued ability to expand and comfortably accommodate its growing population.

+20k

ADDITIONAL IRVINE
HOUSING UNITS

A rich mix of urban, suburban, and 57,000 acres of wide-open spaces

Roughly 16,500 acres—fully one-third of the entire city—is permanently preserved as parks, trails and usable natural open space. A huge open space network on The Irvine Ranch exceeds 57,000 acres. The City of Irvine's park system has been ranked the best in all of Southern California

and the seventh best nationwide. The Irvine Spectrum offers 2 million square feet of retail, dining and entertainment options. Irvine is just minutes away from the Pacific Ocean, breathtaking beaches with beautiful coastal communities and major Southern California attractions.

57k

ACRES
OF WIDE-OPEN
SPACES



REDWOOD NATIONAL PARK

SANTA MONICA MOUNTAINS
HIKING / CAMPING

SAN GABRIEL NATIONAL MONUMENT
SKIING / SNOWBOARDING
HIKING / CAMPING

BIG BEAR LAKE
SKIING / SNOWBOARDING

CHINO HILLS STATE PARK
HIKING / CAMPING

IRVINE RANCH OPEN SPACE
HIKING / CAMPING

SANTA MONICA BAY
SAILING / BOATING

LAKE TAHOE

YOSEMITE NATIONAL PARK

MAMMOTH LAKES

PINNACLES NATIONAL PARK

SEQUOIA / KINGS CANYON NATIONAL PARKS

NEWPORT BEACH
SWIMMING / SURFING

GREAT PARK
LAGUNA BEACH

CLEVELAND NATIONAL FOREST
HIKING / CAMPING

CITY OF IRVINE
ORANGE COUNTY, CALIFORNIA

SAN ONOFRE STATE BEACH
SURFING / CAMPING

DEL MAR BEACH
SWIMMING / SURFING

LA JOLLA

MISSION BEACH

JOSHUA TREE NATIONAL PARK

CHANNEL ISLANDS NATIONAL PARK

SANTA BARBARA

CATALINA ISLAND

02
PARKS & OPEN SPACES



A high priority on education

In addition to world-class universities and a highly-educated workforce and population, Irvine is home to one of the leading K-12 public educational systems in the United States. Irvine is world-renowned for hiring and empowering the most talented educational leaders, providing exceptional enrichment programs and meticulously planning its schools. Students have consistently scored at the top of state standardized

test rankings and are routinely recognized nationally for excellence in all subjects. Irvine's progressive education system values intellectual risk-taking and provides extensive enrichment programs and STEM education opportunities. This spirit of intellectual pursuit helps sustain a creative and diverse culture and meets the rigorous standards of Irvine's highly-educated, professional community.

A commitment to the arts

Orange County boasts a thriving performing and visual arts community: from local and regional galleries, exhibits and shows to symphonies, performances and major productions at the South Coast Repertory, the Segerstrom Center for the Arts and seasonal visual arts displays such as the Pageant of the Masters and the Sawdust Art Festival. This commitment to the arts extends

to the elementary and high school level with strong on-going public and private grants for its enrichment programs. For 2017, financial support included nearly \$10 million by the City of Irvine and \$5 million by Irvine Public School Foundation (IPSF). To date, Irvine Company has also gifted \$40 million to support excellence in enrichment programs.

90%

IRVINE HIGH SCHOOL
GRADUATES WHO
ATTEND COLLEGE



ORANGE COUNTY GREAT PARK

Near the Irvine Spectrum is the nation's largest ongoing parkland development. The Orange County Great Park is planned for 1,300 acres of expansive bikeways, recreation and sports, culture, and landscape. The Great Park houses or will soon complete a 5,000-seat soccer stadium, 12 baseball and softball fields, 17 soccer and lacrosse fields, large open

areas, 25 tennis courts, an 18-hole golf course, children's play areas, an expanded Farm and Food Lab and a wildlife corridor. Additionally, the future 223-acre Cultural Terrace at the Great Park will include a permanent amphitheater. Separately, the Anaheim Ducks are completing a \$100 million Community Ice Facility as part of the Great Park.

Located within walking distance
to Irvine Spectrum



1.5x
THE SIZE OF NYC'S
CENTRAL PARK

The continued expansion of STEM investment with
a \$200M gift from Susan and Henry Samueli



03

IRVINE: TOP TALENT AND STEM EDUCATION

+100k

STEM JOBS
IN OC
(1/3 in Irvine)

+30k

STEM GRADUATES
IN SOCAL ANNUALLY

+900

TECH COMPANIES
IN IRVINE

65

STEM-ORIENTED
RESEARCH CENTERS
AT UCI

7

SOCAL
UNIVERSITIES RANKED
IN US TOP 50

42%

UCI UNDERGRADS
RECEIVE
STEM DEGREES

TOP
10

UCI'S NATIONAL
RANKING IN
PUBLIC UNIVERSITIES

#1

CONCENTRATION OF
PROFESSIONAL TALENT
IN THE NATION

#1

SOCAL HAS LARGEST
POOL OF STEM WORKERS
IN THE US

O3

TOP TALENT, STEM EDUCATION & A COMMUNITY OF INNOVATION

Built upon the cornerstone of a top 10 research university and employing the highest concentration of STEM workers.

Irvine Spectrum is already the business home to 1,200 Amazon associates in addition to many other forward-thinking Fortune 500 companies and leading-edge start-ups who choose Irvine as the place to recruit and retain the best talent. More than 900 tech companies accompany premier universities, major biomedical research institutions, tech incubators, entrepreneurs and a growing venture capital community.

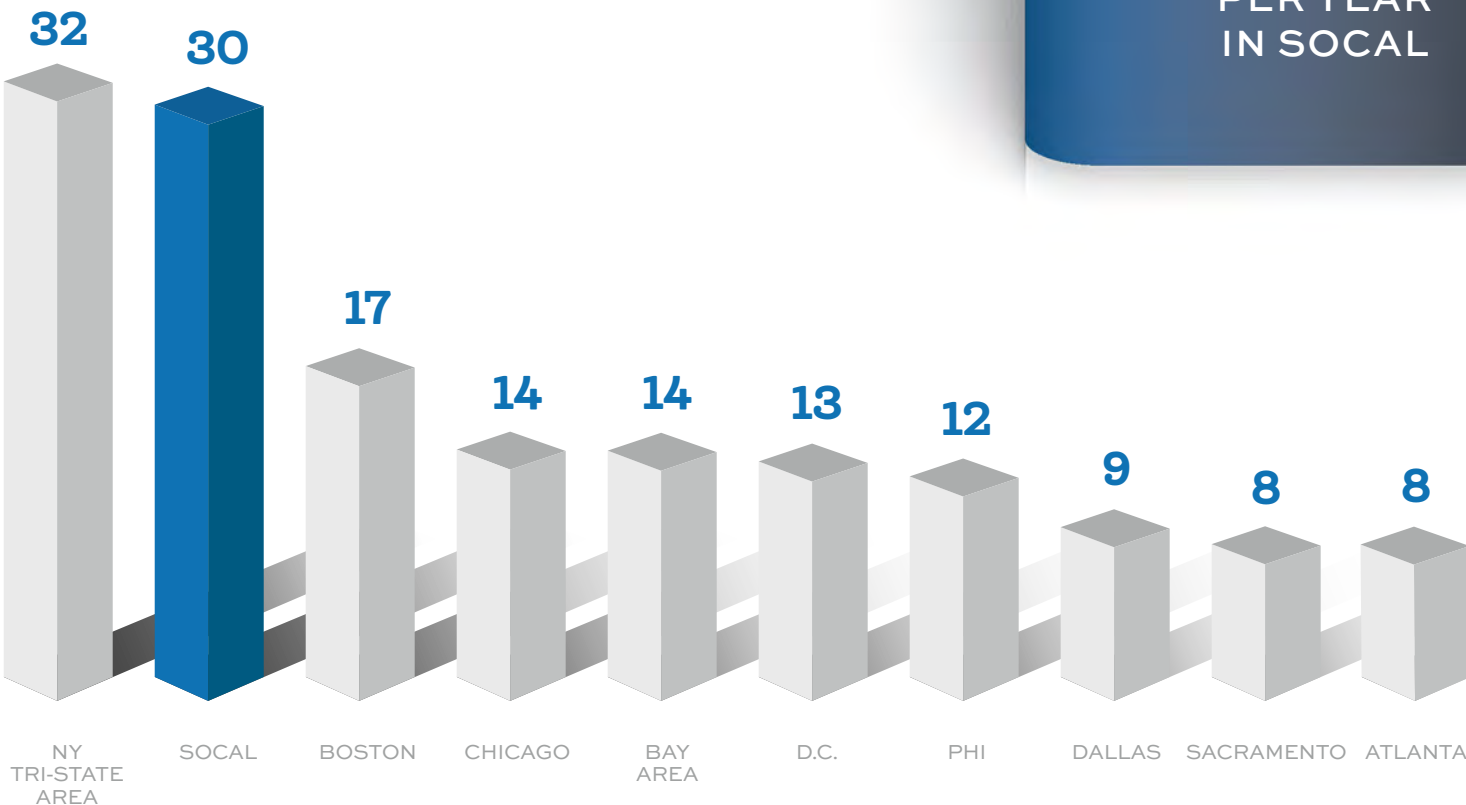
Irvine already houses the professional employment base Amazon is specifically looking to hire, with 40% of its job base considered “office-using”, or white collar, and over 30,000 residents employed in STEM-related fields. Among large US cities, Irvine ranks #1 on share of employment in Amazon’s desired

technical and managerial fields (which represent 54% of the city’s employment base and have recently grown at a rate of 4% a year). It is a community that cultivates a spirit of intellectual curiosity and passion for invention that pervades the culture of Irvine Spectrum and all of Southern California.

Orange County’s labor market captures nearly 1.6 million people. Recent growth in its professional and technical labor market implies the county alone can easily satisfy Amazon’s demand for 50,000 high-wage employees in the coming years; and with nearly 100,000 software developers and over 2 million professionals across Southern California, talent recruitment options outside of Orange County also abound.



+30k
STEM DEGREES
PER YEAR
IN SOCAL



ANNUAL STEM DEGREES GRANTED
(BACHELOR’S OR HIGHER, IN 000’S)



UCLA

Caltech

CLAREMONT
UNIVERSITY
CONSORTIUM

CALIFORNIA STATE UNIVERSITY
SAN BERNARDINO

PEPPERDINE
UNIVERSITY

USC

CAL STATE LA

CAL POLY POMONA

UNIVERSITY OF
Redlands

California State University
DOMINGUEZ HILLS

CALIFORNIA STATE UNIVERSITY
FULLERTON

UC DAVIS
UNIVERSITY OF CALIFORNIA

STANFORD
UNIVERSITY

CALIFORNIA STATE UNIVERSITY
LONG BEACH

CHAPMAN
UNIVERSITY

UC Irvine

CITY OF IRVINE
ORANGE COUNTY, CALIFORNIA

03
SOCIAL
EDUCATIONAL
LANDSCAPE

UNIVERSITY OF CALIFORNIA
SANTA CRUZ

SJSU
SAN JOSE STATE
UNIVERSITY

FRESNO STATE
Discovery Diversity Distinction

CAL POLY
SAN LUIS OBISPO

UCSB

UC San Diego

SAN DIEGO STATE
UNIVERSITY

There are more than 130 4-year institutions
in Southern California

50



With top talent today and a pipeline for tomorrow, it's always Day One.

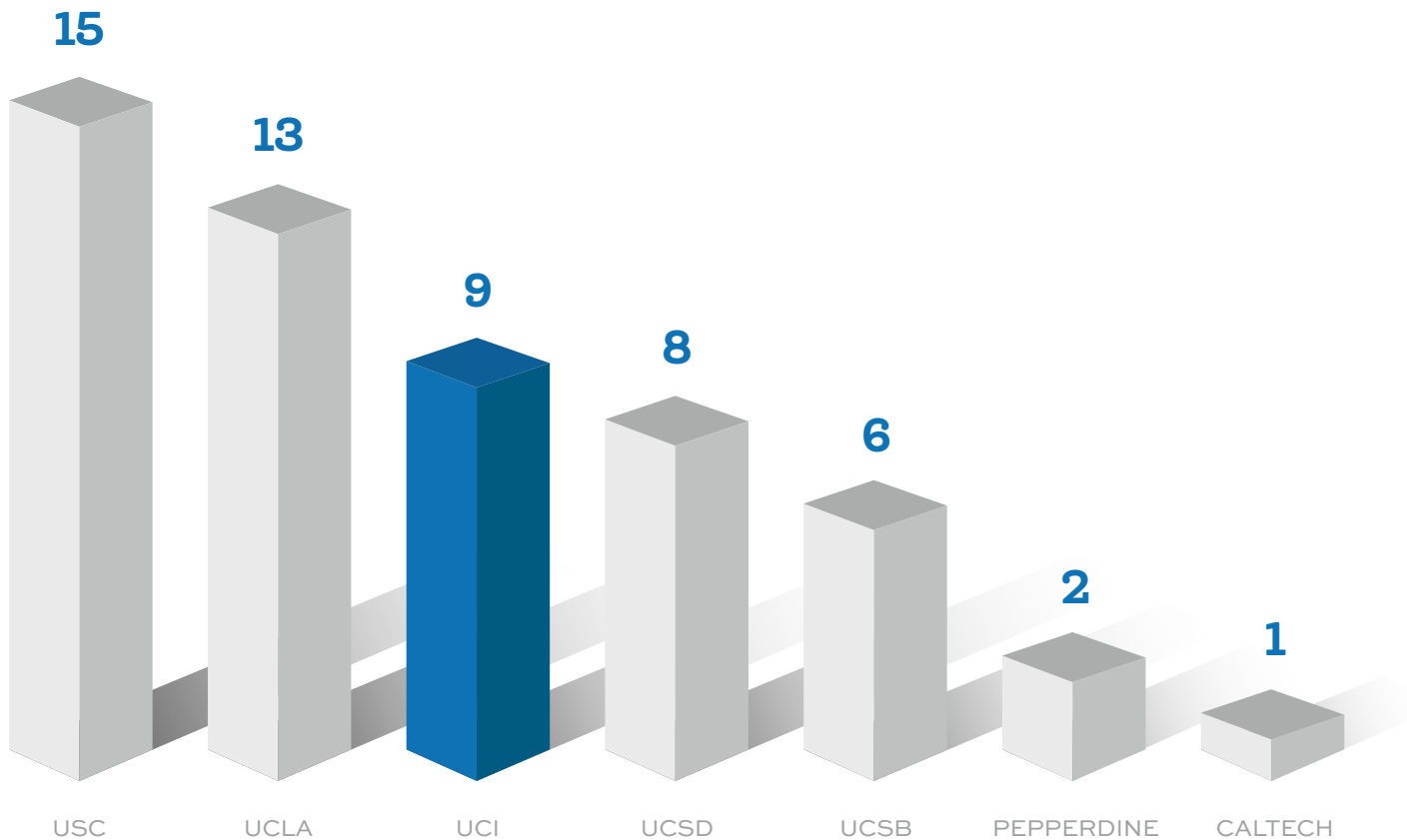
The Southern California region is home to more than 130 institutions offering 4-year degrees and collectively contributes nearly 160,000 undergraduates and post graduates per year. The region hosts multiple world-class universities, with seven ranked in *US News & World Report's* Top 50, conveniently providing 'same-day' accessible recruiting options from the City of Irvine. Within these Top 7, UCI is a highly recognized, top 10-ranked public university in the US, with a \$5 billion annual economic impact and annual enrollment of 34,000 students.

With over 40% of undergraduate degrees conferred in STEM related fields (twice the national average), UCI represents the best of Southern California's STEM talent pool. The university represents the third

largest number of STEM degrees issued in SoCal, and graduates more STEM talent per year than USC, Caltech and Stanford combined. UCI is home to the largest combined Engineering and Computer Sciences program in California (5th largest in the US), and the only computing-focused school in the UC System.

SoCal also houses Top 10 ranked Caltech in Pasadena. Enrolling fewer than 3,000 students, Caltech is extremely selective and ranked the world's best small university. It currently counts 34 Nobel Laureates among its alumni. Home to the Jet Propulsion Laboratories, Caltech's unrivaled high-end learning and research facilities enable breakthrough talent.

TOP SOCAL UNIVERSITY GRADUATE COUNTS
(BACHELOR'S OR HIGHER, IN 000'S)





EDUCATIONAL ATTAINMENT RANKINGS
(BACHELOR’S DEGREE OR HIGHER)

RANK	CITY	% OF BACHELOR’S DEGREE OR HIGHER
1	IRVINE, CALIFORNIA	71.6
2	SEATTLE, WASHINGTON	63.1
3	MADISON, WISCONSIN	59.6
4	SAN FRANCISCO, CALIFORNIA	57.2
5	WASHINGTON D.C.	56.8
6	PLANO, TEXAS	56.6
7	RALEIGH, NORTH CAROLINA	50.8
8	ATLANTA, GEORGIA	50.5
9	PORTLAND, OREGON	49.6
10	DURHAM, NORTH CAROLINA	49.4

EDUCATIONAL ATTAINMENT RANKINGS
(GRADUATE DEGREE OR HIGHER)

RANK	CITY	% OF GRADUATE DEGREES
1	WASHINGTON D.C.	32.9
2	IRVINE, CALIFORNIA	31.9
3	SEATTLE, WASHINGTON	27.3
4	MADISON, WISCONSIN	26.8
5	SAN FRANCISCO, CALIFORNIA	23.2
6	DURHAM, NORTH CAROLINA	22.6
7	ATLANTA, GEORGIA	22.4
8	BOSTON, MASSACHUSETTS	21.2
9	PITTSBURGH, PENNSYLVANIA	21.1
10	PLANO, TEXAS	21.0



56

O3

TOP TALENT LIVES AND
WORKS HERE



57

+100k

STEM WORKERS
IN ORANGE COUNTY



03

MAJOR COMPANIES
IN THE IRVINE
SPECTRUM AREA



04

IRVINE: AN EFFICIENT & CONNECTED REGIONAL HUB

11^M

PASSENGERS
ANNUALLY AT
JOHN WAYNE AIRPORT

+1700

DAILY FLIGHTS
ACROSS 6 REGIONAL
AIRPORTS

#2

LAX IS SECOND
BUSIEST AIRPORT
IN THE US

#1

SOCAL IS HIGHEST
RANKED LOGISTICS
MARKET IN THE US

\$11^B

FUTURE
TRANSPORTATION
IMPROVEMENTS

36

MILES AWAY
FROM LAX

25

MINUTE AVERAGE
COMMUTE TIME FOR
IRVINE RESIDENTS

+1.2^M

PASSENGERS THROUGH
IRVINE STATION
EACH YEAR

#2

BUSIEST
TRAIN STATION IN
ORANGE COUNTY

60

61



O4

AN EFFICIENT & CONNECTED REGIONAL HUB

**Irvine's local, regional and global connectivity
meets the demands of business and heightens
cultural integration.**

Irvine is geographically convenient and accessible. It is 36 miles from Los Angeles International Airport and just minutes from regional John Wayne Airport (serving more than 11 million passengers annually) with daily flights to Seattle, the Bay Area and New York. It is also approximately 30 minutes from Long Beach Airport. Irvine is served by three major freeway exchanges, expansive roadways and immediate highway access throughout the city. Irvine Station, a growing rail transportation hub, is Orange County's second busiest station. It serves more than 1 million commuters annually and features extensive shuttle service transporting employees to the surrounding business district. While other cities are exploring how they retrofit an outdated transportation infrastructure, Irvine

offers thoughtfully planned pedestrian-friendly transportation options, including more than 360 miles of on- and off-road bike lanes, pedestrian paths, shuttles, commuting initiatives and innovative 'leap frog' plans to harness shared economy and autonomous vehicles.

Irvine's master plan has remained ahead of the curve. Transportation connectivity between city, business, and education is the result of planning for roads, bikeways and the public rail and shuttle transportation systems that integrate with growing live-work villages. With \$11 billion earmarked for future transportation improvements, the region will continue to set the pace for efficient connectivity well into the future.

6

FAA "HUB"
AIRPORTS

3 

MAJOR HIGHWAYS
THE 405, 5, 55
BORDER THE AREA

64

6 

MAJOR AIRPORTS
(BUR/ONT/LAX/
LGB/SNA/SAN)



**TRAIN
STATION
ON SITE**

MAJOR STATION
SERVING AMTRAK
+ METROLINK

45 minutes to
LAX



75 minutes to
BUR



35 minutes to
LGB



40 minutes to
ONT



12 minutes to
SNA



ARTIC STATION
CHSR



04

**EASY ACCESS TO
TRANSPORTATION**

IRVINE STATION



IRVINE BOUNDARY

IRVINE SPECTRUM

75 minutes to
SAN DIEGO



6

SOCAL AIRPORTS

BUR/ONT/LAX/LGB/SNA/SAN

Irvine's John Wayne Airport ranked highest in satisfaction among large US airports

50

66
DAILY DIRECT FLIGHTS TO SEATTLE

227

DAILY DIRECT FLIGHTS TO SF BAY AREA

69

DAILY DIRECT FLIGHTS TO NEW YORK AREA

26

DAILY DIRECT FLIGHTS TO DC AIRPORTS



AIR

SEATTLE

BUR
LAX
LGB SNA
ONT
SAN

04

REGIONALLY AND GLOBALLY CONNECTED

67

RAIL

To San Francisco / Seattle

LOS ANGELES

To Las Vegas / Salt Lake City

SAN BERNARDINO

RIVERSIDE

IRVINE SPECTRUM

SAN DIEGO
To Mexico



68

05

UNIQUE SITE OPPORTUNITIES
FOR A CONNECTED CAMPUS

69



+8M

EXISTING AND
ENTITLED SQ. FT.
WITH A SINGLE OWNER

High, medium and
low density options
for all phases

O5

UNIQUE SITE OPPORTUNITIES FOR A CONNECTED CAMPUS

Highly attractive HQ2 opportunities in the heart of a thriving business and lifestyle district.

In Irvine, Amazon's headquarters will be built into the fabric of the city, not pushed to the perimeter like in other major metropolitan areas. Immediate solutions can accommodate thousands in a sustainable, state-of-the-art workplace environment that's already familiar and embraced by Amazon employees.

Existing high-rise vertical campus and low-rise offices as well as under construction and planned development projects can meet the needs of 50,000 Amazon employees and provide flexibility for all phasing options. This allows Amazon to organically grow and expand at the pace of its business.



05

IRVINE
SPECTRUM
DISTRICT

72

UCI RESEARCH
PARK
amazon

INSERT NOT TO SCALE





Amazon's growth can be accommodated in a series of distinct, yet interconnected campuses, each with their own unique personalities.

Spectrum Center

A high-rise campus environment at the heart of the Spectrum area.
(UP TO 18,000 FUTURE AMAZON EMPLOYEES)

Innovation Campus

A diverse, low-key alternative to the high-rise campus in close proximity to Spectrum Center.
(UP TO 9,000 FUTURE AMAZON EMPLOYEES)

Discovery Park

A respite from the central core, with 3.9 million square feet of modern office buildings and outdoor spaces.
(UP TO 24,000 FUTURE AMAZON EMPLOYEES)

Spectrum Terrace

A new 1.1 million square foot campus nestled into a ranch environment.
(UP TO 7,000 FUTURE AMAZON EMPLOYEES)

UCI Research Park

A dynamic, expansive campus directly connected to one of California's premier research institutions.
(UP TO 5,000 FUTURE AMAZON EMPLOYEES)



AN IDEAL SITE FOR
AMAZON'S HQ2



06

AN IMMEDIATE ONE CLICK
HQ2 SOLUTION

O6

AN IMMEDIATE ONE-CLICK HQ2 SOLUTION

The City of Irvine and its partner Irvine Company have everything it takes to meet Amazon's HQ2 needs now and in the future.

A private enterprise with a single owner, Irvine Company is uniquely qualified to fulfill the financial and physical requirements for Amazon's HQ2. Irvine Company can offer Amazon over 8 million square feet of Class A office space for up to 50,000 Amazon employees, delivered in phases over the next decade whenever Amazon needs it. With Irvine Company, Amazon's HQ2 will require no capital investment to acquire land or construct buildings and no new entitlements. The funds earmarked for developing an HQ2 campus can instead be used to expand Amazon's global platform. Irvine Company has the capital resources, credit rating, and ownership flexibility to finance the delivery of all of Amazon's required workspace, with lease durations of Amazon's choosing, all in a modern, vibrant downtown environment which is one of the best recruitment locations in North America.

Instead of pursuing lengthy government approvals or multi-owner transactions, Irvine Company is offering "one-click-shopping" for all 8 million square feet. By choosing Irvine, Amazon can innovate with confidence. Because Irvine Company has spent more than 50 years designing, master planning and helping to deliver the city's infrastructure, Irvine's robust workforce is positioned for exceptional growth.

Additionally, as California's largest owner of apartment and workplace communities with a strong presence in San Jose and San Diego, along with premier workplace communities in Chicago and New York, Irvine Company can provide Amazon with extended access to the best assets in North America.



IRVINE COMPANY

Guiding the potential of the region
for more than 50 years.

With each property positioned at the top of its class, the company's holdings include more than 500 office buildings (50 million total square feet of commercial office space with more than 17 million located in Irvine). Holdings also include nearly 160 apartment communities, 43 retail centers (including the 1.2 million square foot Irvine Spectrum Center and 36 neighborhood centers across The Irvine Ranch), five marinas, three hotels and two golf clubs. With a total portfolio of 120 million square feet (nearly half of it in Irvine) no other company in the United States can claim this level of ownership in one city.

Irvine Company's leadership in sustainability is apparent in all phases of land planning, building design and resource conservation. This dedication includes state-of-the-art water conservation systems, habitat restoration, and the permanent preservation of more than 57,000 acres across The Irvine Ranch. Irvine Company is creating the world's first fleet of hybrid-electric office buildings, with 20 properties in the City of Irvine operational by 2018. The company owns more LEED-certified office buildings in California and more Energy Star-certified buildings in the nation than any other single owner.





THE CITY OF IRVINE
AND IRVINE COMPANY

A public and private partnership that provides
the perfect solution for Amazon’s new HQ2 and its
50,000 future employees.

THE CITY OF IRVINE AND REGION
DELIVER THE UNPARALLELED TALENT
AND LIFESTYLE

+

IRVINE COMPANY DELIVERS THE
VIBRANT WORKPLACE COMMUNITY IMMEDIATELY,
WITH FLEXIBLE LEASE TERMS

=

TOGETHER WE DELIVER HQ2
AT THE SPEED OF AMAZON



INCENTIVES

California State Incentives and Permit Streamlining

This section outlines the state incentives and permit streamlining available to a project selected in California. We have a proven record of working with firms that make significant investments in our state. We have a number of flexible programs that can be tailored to meet your needs. For example, the state worked closely with industry and local government to bring the B-21 long range strike bomber contract to California. The information in this section responds to questions 2, 3 and 4 of your request for proposal.

California Competes Tax Credit

The California Competes Tax Credit program is a negotiated income tax credit awarded to competitive applicants for proposed growth in hiring and capital investment. It has spurred jobs and economic investment across the state. The Governor will propose an extension of five years in the 2018-19 State budget. The budget is released January 10, 2018, and must be approved no later than June 15, 2018.

Should California be selected as a potential Amazon HQ2 location, the Administration will work with the Legislature to pass legislation that provides certainty to Amazon in accessing these tax credits. Under current regulations, up to \$40 million annually for five years (up to \$200 million total) may be made available, and the credits can be carried forward for six years.

Workforce Development and Training Programs

California recognizes that Amazon's HQ2 will require top technical and managerial talent. California is currently making significant investments in training through programs like the Strong Workforce Program (a \$1 billion program) and the Workforce Accelerator program.

The state is committed to linking Amazon with state and local workforce partners to accelerate skill development, create new apprenticeship models and strengthen the workforce base through the aforementioned programs. The Governor will work with Amazon and local community colleges and other stakeholders to designate funds to meet Amazon's workforce needs.

The state can also promote skill-development through its Employment Training Panel (ETP), a state agency that provides funds to offset costs for job skills training. The ETP can provide up to \$10 million in funding for the Amazon HQ2 annually for the next ten years (up to \$100 million total) as Amazon hires and trains its workforce at the new location and ETP funding is contingent upon contract approval by the panel.

Streamlined Permitting and Environmental Review

California understands that speed and certainty are two key contributors to successful projects. The Governor is committed to establishing a multi-agency "strike team" for a project the size of Amazon HQ2 that will facilitate and expedite all permits and approvals. The strike team will be led by the director of the Governor's Office of Business and Economic Development (GO-Biz) and include leaders from appropriate regulatory agencies, and will coordinate with relevant utility service providers.

California has taken significant steps in recent years to streamline the California Environmental Quality Act (CEQA) process for priority projects. CEQA requires public agencies to identify the significant environmental impacts of a project and to avoid or mitigate them, if feasible. This year, AB 246 extended the Jobs and Economic Improvement through Environmental Leadership Act of 2011 (AB 900) which expedites judicial review for any CEQA challenges to projects that meet energy conservation standards and transportation efficiencies and create good-paying jobs. Another example of actions we have taken to expedite a project is legislation (SB 743) that promoted the speedy construction of the new Sacramento Kings arena, the Golden 1 Center, by carefully limiting judicial remedies and permitting portions of that project to proceed prior to completion of CEQA review. The Governor is prepared to pursue additional legislative relief for the Amazon HQ2 project through an expedited process when the legislature reconvenes in January 2018.

Transportation Solutions

In California we have a proven track record of working with the private sector on innovative solutions to deliver transportation projects that expedite and improve our transportation systems. In the spring of 2016 the California State Transportation Agency Secretary, Brian Kelly, met with local government officials, Silicon Valley employers and community advocates to discuss transportation improvements to the 101 corridor. This focused workgroup has been successful in expediting environmental review and focusing state and local efforts on projects that will deliver accelerated improvements to the 101 corridor. As part of the transportation funding package, \$250 million annually will be provided for innovative congestion relief efforts like the 101 corridor. The Governor is committed to working with Amazon, local governments and other community advocates on innovative approaches to address transportation issues around an Amazon HQ2 project in California.

Workforce Housing

In California we understand that workforce housing is a critical factor to consider when making a siting decision. We have recently passed a permanent funding source, a housing bond and a package of reform measures that will increase housing supply in California, including workforce housing. Beginning in 2019, the state will direct approximately \$37 million annually for workforce housing that serves lower to moderate income households. The Governor is committed to working with Amazon, local governments and other advocates to create innovative partnerships that address workforce housing issues around an Amazon HQ2 project in California.

Environmental Stewardship

California is leading the way on reducing greenhouse gas emissions and making investments in technologies and projects that aid the transition of the state’s economy. This year the state is allocating over \$1 billion in revenues from the cap and trade program to programs that reduce greenhouse gas emissions, including investments that increase the deployment of zero-emission vehicles (ZEVs) and necessary infrastructure. The state has also invested in Transformational Climate Communities that take an innovative and coordinated approach to reducing greenhouse gas emissions and provide local economic, environmental and health benefits to disadvantaged communities. For example, should Amazon choose to provide shuttle buses for its employees on and around its HQ2 campus, state net zero incentives could help with the acquisition of such buses. The Governor is committed to working with Amazon, the state legislature and other stakeholders to meet shared environmental stewardship goals, including the implementation of sustainability strategies for the community around an Amazon HQ2 project.

Local Government Incentives

The Governor has just approved the extension of the Capital Investment Incentive Program (AB 755) that authorizes regional and local governments to offer property tax abatement to a qualified business for up to 15 years for large projects like the Amazon HQ2 project.

Other Financial Incentives Available

The following tables list other financial incentives available to Amazon. As we learn more about the investments Amazon may make in California, we stand ready to work with the company to estimate the value of the incentives that could be available from the following targeted programs.

Other Available Tax Credits

Benefit Name (Program/Service)	Calculation/ Value	Limits	Requirements	Process Duration
Research Credit	15% of excess of qualified expenses, plus 24% of basic research payments	None	Form 3523	Filed with annual tax return
Film and TV Production Credit – Relocating TV Series	Up to \$25,000,000	Credits apply to the first \$10,000,000 of qualified expenditures	Application Required	30+ days
Film and TV Production Credit – Independent Films	Up to \$2,500,000	Credits apply to the first \$10,000,000 of qualified expenditures	Application Required	30+ days
Film and TV Production Credit – Feature Films, MOW and Mini, New TV Series and pilots	Up to \$20,000,000	Credits apply to the first \$10,000,000 of qualified expenditures	Application Required	30+ days
Film and TV Production Credit – Credit Uplift (out of zone)	N/A	The maximum credit a production can earn is 25%	Application Required	30+ days

Sales and Use Exemptions and Exclusions

Benefit Name (Program/Service)	Calculation/ Value	Limits	Requirements	Process Duration
Advanced Manufacturing, Advanced Transportation, Alternative Source, and Recycled Feedstock Cash Discounts Cogeneration Technology Common Carriers Consumer Cooperatives Containers Custom Computer Programs Delivery to Export Packers Interstate and Foreign Commerce Leases of Mobile Transportation Equipment Purchases in Foreign Countries Real property Research and Development Space Flight Property Storage and Use Exclusion Tax-paid purchases resold Transportation Charges Travel Accommodations Teleproduction and Post production equipment (Use) Tax Credit for Tax Paid to Other States Youth Organizations	Exemptions from the state’s portion of the sales and use tax	Limits vary. The maximum limit for total R&D exemptions in a calendar year is \$200,000,000 in exemption	File certificate, where applicable	Immediate upon purchase

Property Tax Abatements

Benefit Name (Program/Service)	Calculation/ Value	Limits	Requirements	Process Duration
New Solar Energy System Exclusion	1% statewide, plus any local add-on	No limit	County assessor form where/when required	N/A

Sales and Use Exemptions and Exclusions

Benefit Name (Program/Service)	Calculation/ Value	Limits	Requirements	Process Duration
Advanced Manufacturing, Advanced Transportation, Alternative Source, and Recycled Feedstock Cash Discounts Cogeneration Technology Common Carriers Consumer Cooperatives Containers Custom Computer Programs Delivery to Export Packers Interstate and Foreign Commerce Leases of Mobile Transportation Equipment Purchases in Foreign Countries Real property Research and Development Space Flight Property Storage and Use Exclusion Tax-paid purchases resold Transportation Charges Travel Accommodations Teleproduction and Post production equipment (Use) Tax Credit for Tax Paid to Other States Youth Organizations	Exemptions from the state's portion of the sales and use tax	Limits vary. The maximum limit for total R&D exemptions in a calendar year is \$200,000,000 in exemption	File certificate, where applicable	Immediate upon purchase

Sales and Use Exemptions and Exclusions

Benefit Name (Program/Service)	Calculation/ Value	Limits	Requirements	Process Duration
New Solar Energy System Exclusion	1% statewide, plus any local add-on	No limit	County assessor form where/when required	N/A

California has always inspired big dreams,
big ideas and big success for the businesses
that are located here.

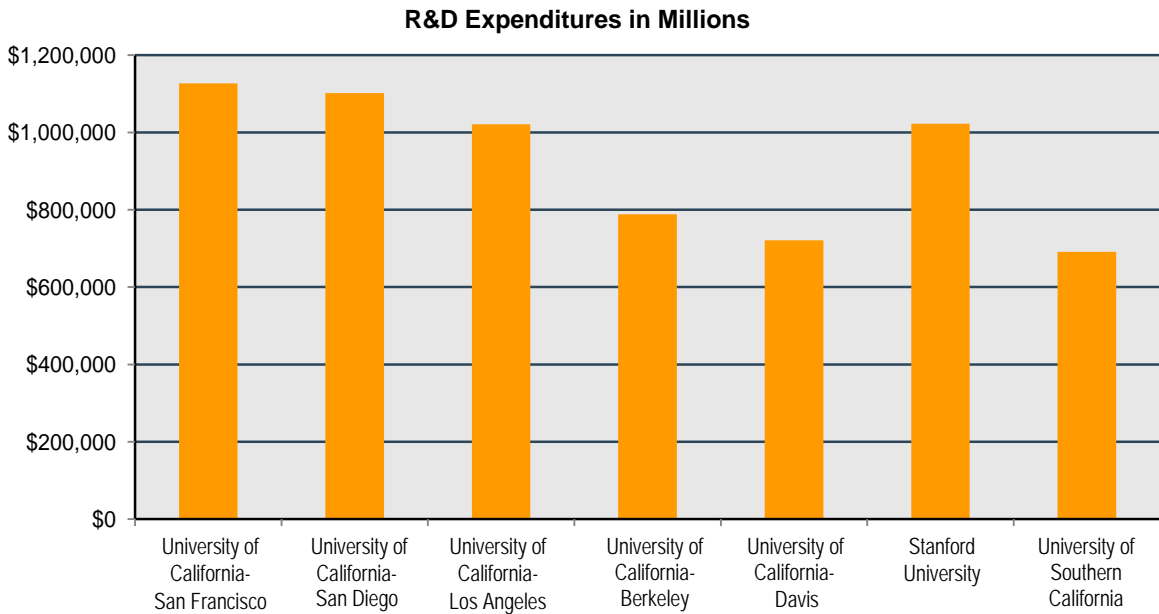
California is the best place to innovate and invest in the world – with its talented workforce, global connections, premier universities, technology ecosystem that creates transformative products and patents, and policies to invest billions of dollars into sustainable infrastructure and housing and protect the environment.

These business factors combined with the state's unmatched quality of life – surf in the morning, ski in the afternoon – make California an ideal partner for Amazon as it seeks out a home for its second headquarters.

California: Knowledge-Economy Powerhouse

Locating in California will give Amazon access to the greatest system of research and postsecondary education in the world, with 146 public colleges and universities. More than 40 percent of the workforce is college-educated. California graduates more students in science, technology, engineering, arts and math than any other state, with 91,643 degrees awarded. Sixteen percent of the 1,369 Ph.D. degrees in computer science awarded by U.S. public universities in 2014-15 were awarded in California.

Our universities, in addition to educating students for the jobs of the future, are engines of research and development. About one-third of the 41 living Turing Award winners worldwide currently hold a position at a campus or company in California. Seven of the top 30 campuses nationwide for R&D expenditures are located in California. (The next-ranked state, Pennsylvania, has three campuses on the list.) Together, these seven campuses put \$6.2 billion into R&D in 2015, representing nine percent of higher education R&D nationwide.



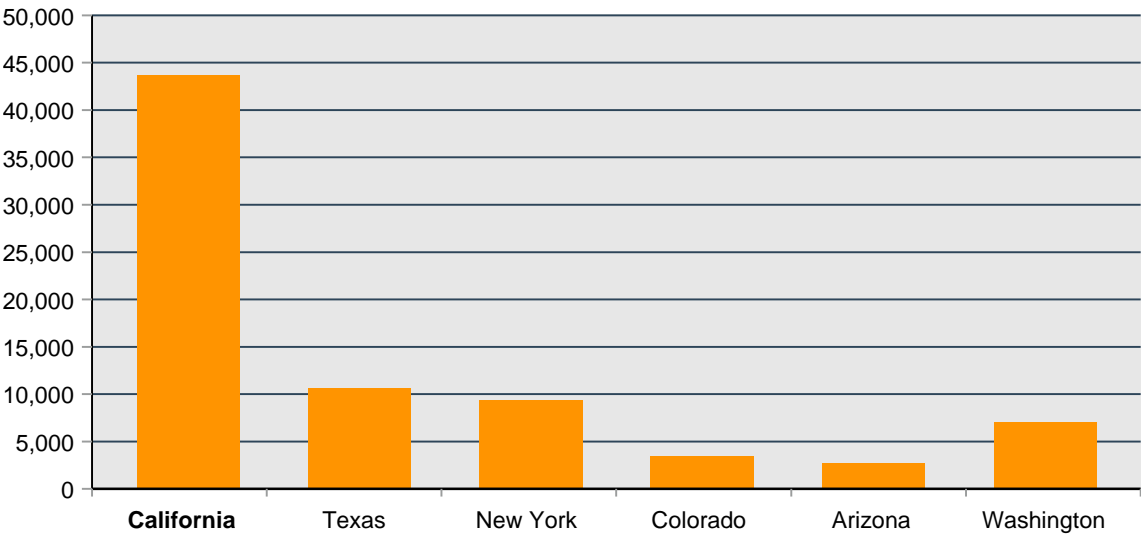
California’s higher education system is not only top-notch: it is accessible. Average tuition at a public college or university in the state is \$2,890 per semester, and California’s public 4 year college graduates have the third-lowest average student loan debt of any state – 26 percent lower than the national average. Seven of the top ten universities on the 2017 New York Times College Access Index – based on both the number of lower-and-middle-income students enrolled and the price charged – are located in California.

- 1. University of California- Irvine
- 2. University of California- Santa Barbara
- 3. University of California- Davis
- 4. University of California- San Diego
- 5. University of California- Los Angeles
- 6. University of Florida
- 7. Amherst College
- 8. Pomona College
- 9. University of California- Berkeley
- 10. Harvard University

These investments in human capital pay off. In 2015, California earned 28 percent of the 140,969 patents issued in the United States – more than twice as many patents-per-capita as the national average and over four times as many patents as the next-ranked state.

California also has the diverse workforce necessary to lead the United States into global markets. More than a quarter of California’s population was born outside the country. Among English-speaking residents that are fluent in another language, there are 17 languages represented. The state is also home to many native speakers of other languages who also speak English fluently. There are seventeen languages with more than 50,000 native speakers in California.

2015 Patents by State



California: Bold Investments in Infrastructure & Housing

California is the sixth-largest economy in the world, and it is making the investments in its physical capital and housing stock to sustain and build on that advantage.

Those investments start with transportation. California will invest an additional \$5.2 billion annually over the next decade to rebuild our roads and bridges and expand mass transit. California’s urban cores have incorporated bicycle infrastructure and pedestrian-friendly downtowns. We are also building what will be the only high-speed rail system in the United States, which when completed will move passengers from San Francisco to Los Angeles in under 3 hours and will eventually extend into an 800-mile system from Sacramento to San Diego.

The state is also improving access to housing, putting billions of dollars behind affordable housing measures and streamlining the building process. This year’s housing package includes a \$4 billion bond measure to kick-start the construction of affordable housing, as well as a permanent revenue source for such housing through a modest fee on real estate transactions.

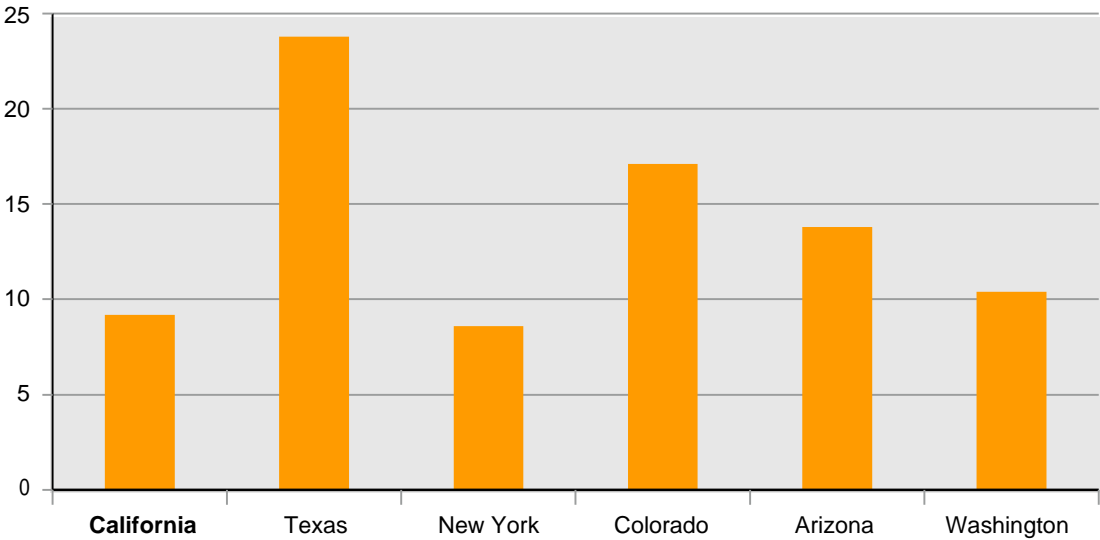
Finally, California will keep investing in livable communities. A \$4 billion bond measure will protect California’s natural beauty, increase access to parks and upgrade water systems.

California: Epicenter of Climate Action

Like Amazon, California is committed to sourcing its energy from renewable sources, incorporating energy efficiencies into existing buildings and improving freight efficiencies by supporting zero-emission freight technologies. In 2014, California per-capita emissions were just 54 percent of the national average, and its carbon-reduction policies are emulated around the world. As a committed partner in sustainability, we will help you reduce your carbon footprint.

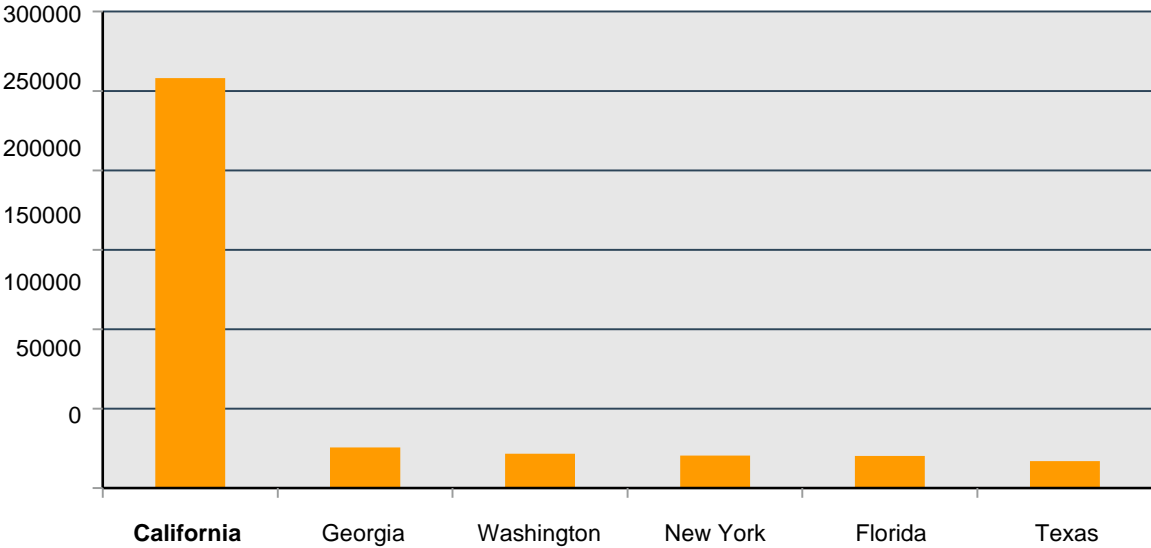
California has not only been an environmental leader but has demonstrated that sustainability and economic growth can go hand-in-hand. Our pioneering cap-and-trade program was recently extended through 2030 with bipartisan support, and we have linked our market with Quebec and Ontario – with more to come. Overall, California will reduce carbon emissions 40 percent below 1990 levels by 2030, and by that year will generate half of its electricity from renewable sources.

2014 Carbon Emissions Per Capita



California is also leading the way to bring zero-emission vehicle technologies from concept to market, with an action plan to bring the number of zero-emission vehicles in the state to 1.5 million by 2025. Already, California has over 325,000 such vehicles on the road, making up 47 percent of national zero-emission vehicle sales in the United States. The state is on track to help build out the infrastructure for one million zero-emission vehicles by 2020.

2011-2016 Electric Vehicle Sales



APPENDIX

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BEST CITY &
UNBEATABLE LIFESTYLE

K-12 Education

IRVINE K-12 EDUCATION

Nurturing Children to be Future Ready

Amazon employees with children grade level K-12 will be part of Irvine's world-class public education system. It is renowned for hiring, training, and empowering the most talented educational leaders; creating an exceptional enrichment program supported by a dynamic community; and meticulous planning of the schools dating back to when the city was first designed.

As a result, students have consistently scored at the top of state standardized test rankings, and schools are routinely recognized both regionally and nationally for excellence in all subjects.

Irvine's education system prides itself on an innovative culture. Administrators and educators value a discipline of continuous

improvement, believe in intellectual risk taking, and care about creating a safe place to learn. They believe that to be prepared for their futures, it is necessary for students to develop a strong work ethic and tenacity.

Irvine's schools are also distinguished nationally as a result of the district's extensive enrichment programs that are supported by strong partners such as the City of Irvine, Irvine Public Schools Foundation (IPSF), and Irvine Company. The unprecedented level of support and

funding create a uniquely holistic learning environment.

Irvine's successes in public education are the result of meticulous long-term planning. As the city was master planned, schools became the core of each neighborhood, making education a cornerstone of Irvine life.

Two school districts serve Irvine: Irvine Unified School District (IUSD) and Tustin Unified School District (TUSD). They are described below.

IRVINE UNIFIED SCHOOL DISTRICT (IUSD)

One of the Highest Performing Districts in California

Ranked as one of the highest performing districts in California, IUSD educates a diverse population of more than

34,000 K-12 students and is widely recognized both nationally and regionally. <https://iusd.org>

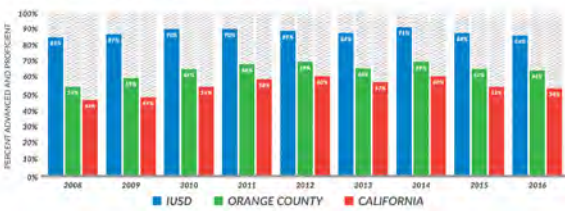
Nationally Recognized

- IUSD schools have received the National Blue Ribbon Award 15 times since 1982.
- IUSD high schools have been consistently ranked top in the nation by *Newsweek's* "List of America's Top High Schools."
- Woodbridge High School was named top school for music education in the nation by the GRAMMY Foundation in 2016 and IUSD was the first-ever district to have all four high schools named GRAMMY Signature Schools.
- IUSD was named one of the top five districts in the nation for student achievement by the nonprofit Education Cities in 2016.
- The district has consistently been recognized nationally as a "Best Community for Music Education" by the highly regarded NAMM Foundation.

FIFTH-GRADE CST

CALIFORNIA STANDARDS TESTS: SCIENCE

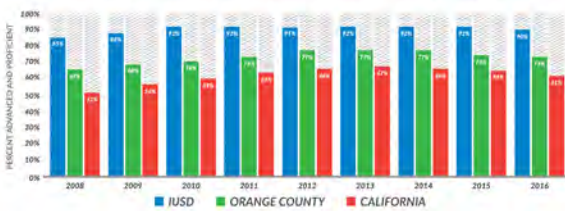
In 2016, 86% of IUSD's fifth-grade students scored at the advanced and proficient level, while in Orange County the percentage of students scoring advanced and proficient was 64%. In California, the percentage was 54%.



EIGHTH-GRADE CST

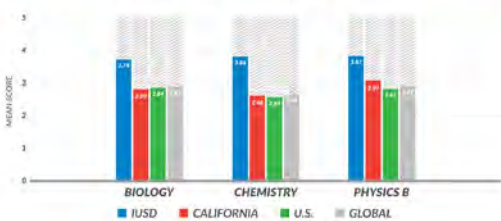
CALIFORNIA STANDARDS TESTS: SCIENCE

In 2016, 90% of IUSD's eighth-grade students scored at the advanced and proficient level, while in Orange County the percentage of students scoring advanced and proficient was 73%. In California, the percentage was 61%.



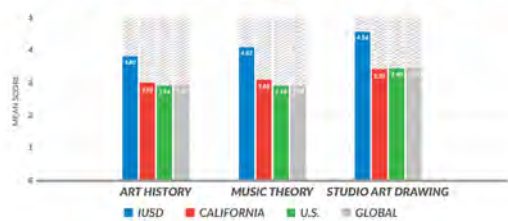
2016 ADVANCED PLACEMENT (AP)

MEAN SCORE RESULTS: SCIENCE



2016 ADVANCED PLACEMENT (AP)

MEAN SCORE RESULTS: VISUAL & PERFORMING ARTS



One of the Highest Performing Districts in California

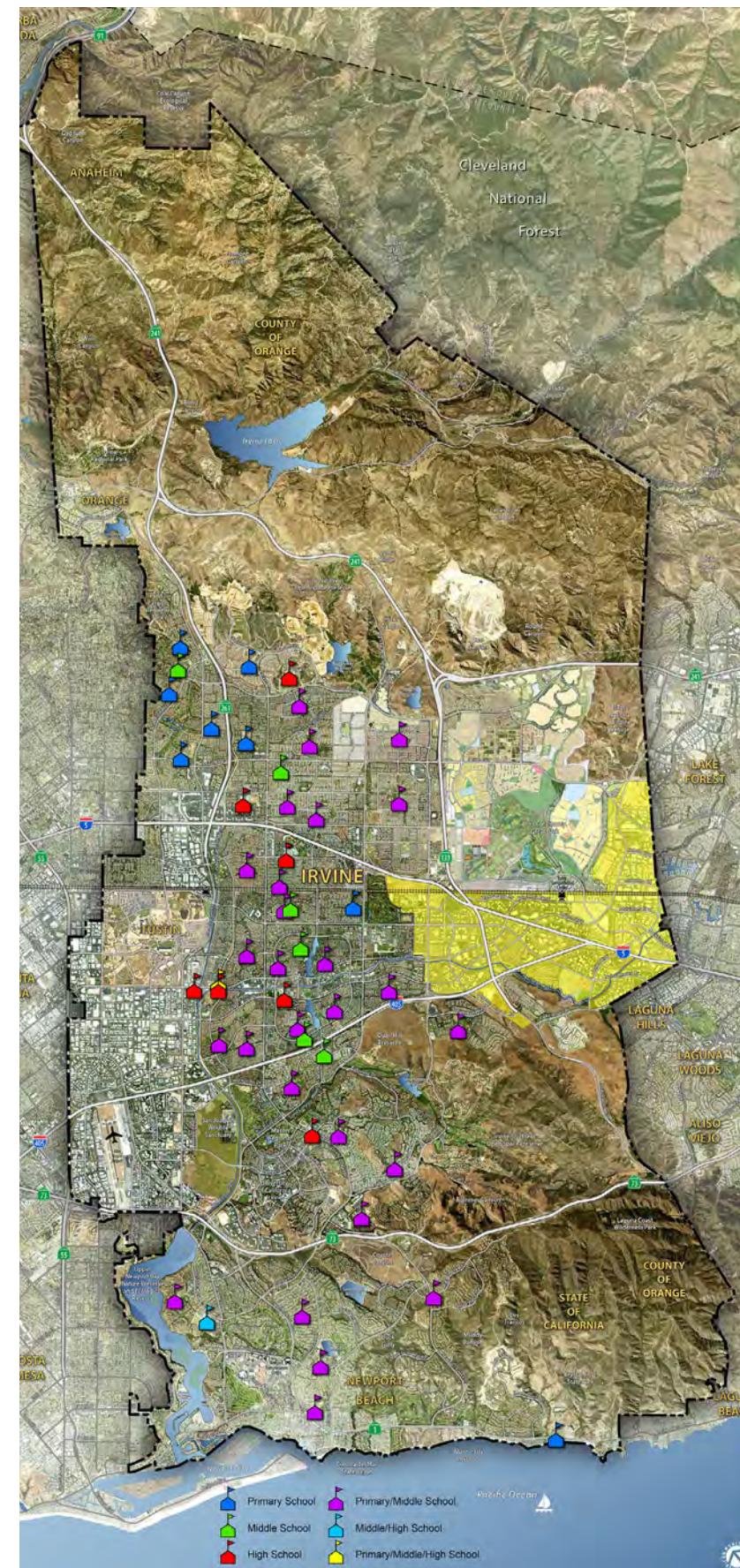
- IUSD schools have been awarded the California Distinguished Schools/Gold Ribbon designation 70 times since 1986.
- High school SAT scores consistently rank top in Orange County and in the state with more than 90% of high school graduates attending college.



- In 2017 IUSD was the 2nd-highest performing school district in California in Math and English Language Arts/Literacy, outperforming Orange County and state score averages.
- IUSD students continue to receive top honors at the annual Orange County Science & Engineering Fair, sending the most students to the state competition.
- More than half of the Youth Ensemble Pacific Symphony musicians are IUSD students (152 out of 220 musicians), more than any district in the state.
- In 2016, IUSD sent the most students to the California National History Day Competition with several teams advancing to and placing at the national competition.

Distinctive Attributes and Programs

- **Progressive Leadership**
IUSD is led by Superintendent Terry Walker, who is the only K-12 superintendent representative in the state to sit on the Corporation for Education Network Initiatives in California Board of Directors. As a result of his efforts, he brought the first-ever 100-gigabit per second K-12 internet connection to all 27 school districts in Orange County.
- **Diverse Population That Speaks More Than 70 Languages**
IUSD attracts students globally with a population that speaks more than 70 languages with nearly 40 percent having a primary language other than English. Its website is uniquely available in 104 languages.
- **Strong Partnerships to Support Excellence**
The city and private sector play a large role to support IUSD given its recognition that part of Irvine's continuing story in attracting families and businesses from around the world is the excellence in its schools.
- **City of Irvine: "Part of Irvine's Continuing Story is Excellence in its Schools"**
As part of its long-term commitment to excellence in education, the city approved a \$9.7 million package for its 2017-18 budget, an unprecedented amount nationwide for a city that doesn't directly operate its public school system.



- **Irvine Public Schools Foundation (IPSF): “Great Schools Don’t Just Happen”**
IPSF (<https://ipsf.net/>) provides nearly \$5 million annually to programs for reduced class sizes; enrichment; STEAM-related curriculum; music and instrument rental; health and wellness; innovation grants; and college scholarships.
- **Irvine Company: “Children Are Our Future”**
<https://www.donaldbren.com/about/>
Irvine is also recognized for having the most successful school district in California due in large part to Irvine Company’s philanthropy, public policy initiatives, and master planning. To date, Irvine Company has gifted \$40 million to IUSD for its popular Excellence in Education Enrichment Program with an emphasis on science programs.
- **STEAM Education**
IPSF works with corporate sponsors to help fund STEAM-related programs such as the IUSD Science Fair, Donald Bren Honors Concert and the Irvine CubeSat STEM Program to develop high interest in science and related subjects.
- **Irvine CubeSat Program**
The Irvine CubeSat program provides STEM educational resources to high school students to inspire the next generation of innovative thinkers and to create opportunities for underrepresented groups in STEM-related fields, including women and minorities.
- **Enrichment Programs**
IPSF provides quality cost-efficient programs such as Summer Enrichment Academy, Afterschool Classroom Enrichment, and Specialty Camps with curriculum in art, music, chess, coding, sports, digital animation, math, and science.
- **Collaboration with Local Universities**
Irvine schools collaborate with local universities to generate interest in STEAM programs. For example, University of California, Irvine offers programs to motivate a new generation of future scientists, engineers, and mathematicians with research programs, state math competitions, modeling programs, and Russian math.

TUSTIN UNIFIED SCHOOL DISTRICT (TUSD)

Schools of Choice

Irvine is also served by the Tustin Unified School District (<http://destinationtUSD.org/>), a high-ranking district with 7 National Blue Ribbon Schools and 24 California Gold Ribbon Schools known for their STEAM programs.

Distinctive Attributes and Programs

- **Heritage Elementary STEAM Magnet School**
Heritage Elementary School is a new transitional kindergarten (TK) through fifth-grade STEAM magnet school. STEAM programs at the elementary level are rare and provide students early rigorous exposure to these important subject matters.
- **Robotics Program—A Nationally and Internationally Recognized STEM Program**
Created in partnership with the Tustin Public Schools Foundation, the Robotics Program is a unique year-round competitive program for students in elementary, middle, and high school to foster interest in STEM. For the 2017-18 season, the Robotics Program competed at the World Championship tournament—its middle school team placed third.
- **Digital Citizenship**
To maintain a safe online environment, all students participate in lessons on Internet Safety, Privacy & Security, Communication, Cyberbullying, Digital Footprint & Reputation, Self-image, Information Literacy, Creative Credit & Copyright.

HEALTH AND WELLNESS

The country's leading health care educators, caregivers, and innovators converge in one place: Irvine.

By choosing Irvine, Amazon employees will benefit from an array of leading-edge health and wellness offerings. While Irvine's climate and natural resources lends itself to a healthy lifestyle, Irvine is also an epicenter for health and wellness because it is home to the country's leading

educators, caregivers, and innovators advocating for health and wellness. The following describes how leading minds in health care serving Irvine and the Orange County region would also serve Amazon's health and wellness needs.

University of California, Irvine (UCI) Innovation Through Integrative Health

Amazon would be part of a community leading the country in understanding the science and standards for health and wellness. Through a \$200 million donation to the University of California, Irvine, the Susan and Henry Samueli College of Health Sciences will be the first university-

based health sciences enterprise to incorporate integrative health research, teaching and patient care across its schools and programs. Integrative health redefines the relationship between the practitioner and patient by focusing on the whole person and the whole community.

Providence St. Joseph Health (PSJH) Transforming Health to Fit into Daily Routines

By locating in Irvine, Amazon would have convenient access to an extensive network of leading hospitals, physicians, and health and wellness programs provided by Providence St. Joseph Health (PSJH), the leading health care provider in Irvine

and the greater Orange County region. As PSJH represents the third largest non-profit health organization in the country, Amazon would also be connected to one of the most influential and extensive health networks:

- 50 hospitals serving seven states
- 23,000 physicians and 106,000 caregivers (employees)
- Two health plans and 90 non-acute services
- \$1.3 billion dedicated to benefitting the community, including care for the underserved

Orange County Presence – Home to Nationally Recognized Hospitals

With a strong presence in Orange County that dates back 100 years, PSJH offers Amazon access to an extensive network of seven nationally recognized hospitals: Hoag Hospital, Irvine; Hoag, Newport Beach; Hoag Orthopedic Institute; Mission Hospital, Mission Viejo and Laguna Beach; St. Joseph Hospital, Orange; and St. Jude Medical Center in Fullerton. Additionally, PSJH is affiliated with CHOC Children's in Orange and CHOC Children's in Mission Viejo which is located at Mission Hospital, offering

exceptional pediatric care for babies and children.

Hoag Hospital (Newport Beach and Irvine), Mission Hospital (Mission Viejo and Laguna Beach), St. Jude Hospital (Fullerton) and St. Joseph Hospital (Orange) have gained many accolades, including Magnet Status, nursing's highest honor. Also, all rank among the top hospitals in the region, according to *US News & World Report's* Best Hospitals edition, 2017-18.

Outstanding Physician Network and Medical Groups

Amazon would have access to more than 2,000 physicians who are with St. Joseph Heritage Healthcare, PSJH's medical groups and physician networks throughout Orange County. Two medical groups within St. Joseph Heritage Healthcare—St. Joseph Heritage Medical Group and Mission Heritage Medical Group—were honored with a 2016 Excellence in Healthcare Award from

the Integrated Healthcare Association (IHA) for simultaneously receiving top marks in quality, patient experience, and cost. Additionally, Consumer Reports 2016 ranked St. Joseph Heritage Medical Group and St. Joseph Hospital Affiliated Physicians highest in Southern California for coordination of care, communication with patients and access to routine and urgent care.

Wellness Corners, Private Wellness Centers, and Partnership with Irvine Company

Building on its commitment to improve access to care and create healthier communities, PSJH launched two unique health and wellness models close to where people live and work. These include: 1) "Wellness Corners" for retail wellness centers in residential and business communities and 2) "Wellness Centers"

that are custom designed to serve a single employer, their employees and their families on-site at their campuses. Common services are described on the following page through its Whole You Wellness Approach.

There are now 10 centers and programs

OUR WHOLE YOU WELLNESS APPROACH



SCIENTIFIC

- Genetic testing
- Hormone testing
- Environmental toxicity
- Micronutrient testing
- Food sensitivity testing
- Routine labs
- Body composition analysis

INTEGRATIVE

- | | | |
|--|---|---|
| Lifestyle <ul style="list-style-type: none"> Health coaching <ul style="list-style-type: none"> Nutrition Exercise Behavioral health <ul style="list-style-type: none"> Sleep Stress management Mindfulness Massage therapy Group sessions | Primary Care <ul style="list-style-type: none"> Functional medicine Acute and chronic Preventive care Physical Medicine <ul style="list-style-type: none"> Acupuncture Chiropractic care Physical therapy Functional fitness | Products <ul style="list-style-type: none"> Nutraceuticals Pharmaceuticals Fitness <ul style="list-style-type: none"> Personal Training Group Fitness |
|--|---|---|

INNOVATIVE & ENGAGING PROGRAMS

- | | |
|--|--|
| <ul style="list-style-type: none"> Lifestyle Rx Chronic Condition Management Care Management Back Health | <ul style="list-style-type: none"> You, Only Better Health Re-Set Quartet Shop with a Doc Workforce Wellness |
|--|--|

providing “everyday health” services which make it convenient to maintain active lifestyles or improve the quality of life for those with chronic conditions. Amazon employees and residents in Irvine

Spectrum area can be steps away from their office and home to conveniently see their caregiver and/or coach to support their health and wellness needs.



SOCAL LIFESTYLE: IRVINE SPECTRUM

Irvine Spectrum... Be in the Center of it All

There is something for every Amazon employee and resident here. Irvine Spectrum is a master-planning masterpiece—a vibrant mixed-use city center with 24 million square feet of office, 9,000 apartment homes, and 2.0 million square feet of existing entertainment and lifestyle retail. It is a world-class destination delivering the ultimate

“California Experience” where growing numbers of residents are choosing to live, work, shop, and play. To complement the bustling Irvine Spectrum, the broader area of Irvine offers the best of both worlds with more than 57,000 acres of permanently protected, recreational open space.





Even as it continues to evolve, the 5,000-acre business, residential and shopping district is admired nationally as a model for smart growth and long-term planning. Today, the Irvine Spectrum is a vibrant city center with a mosaic of culture, lifestyle,

and experiences that has become a hallmark of the city's acclaimed quality of life. It's no wonder that year after year, *Money* magazine ranks Irvine among the most desirable places to live in the United States.

Irvine Spectrum Center – Experience the Unexpected

It only takes one visit to realize that Irvine Spectrum Center, the district's 1.2-million square foot retail center, represents a premier Southern California entertainment and lifestyle destination visited by more than 17 million people each year (nearly as many as Disneyland at 18 million people). Ideally located between the 5, 405, and 133 freeways, the Irvine Spectrum Center features Nordstrom, Apple, Target and H&M, and more than

130 boutique and specialty stores, restaurants, and entertainment venues including the region's most popular movie theatre, a 6,400-seat, 21-screen movie theater.

Where the unexpected is what makes for a memorable experience and Instagram moments, the Irvine Spectrum Center offers unique experiences with each visit and more.

• Shopping

From beloved retail icons to more eclectic smaller merchants, the sky is the limit when it comes to finding places to experience your favorite retailers.

• Indoor and Outdoor Dining

No matter what you're in the mood for, you'll find it with more than 40 restaurants, bars, and coffee shops. With six curbside pickup spots and on-demand delivery options, a good meal does not need to be sacrificed on a busy day.

• Movies

You can catch the newest films day and night at the Edwards Irvine Spectrum 21 IMAX & RPX featuring 21 theaters, 6,400 seats, and an eight-story IMAX screen.

• Live Entertainment

The Irvine Improv Comedy Club, the county's most successful Improv, features a 16,148 square foot venue. Irvine Spectrum Center also buzzes with energy and live music for weekend entertainment.

• Special Events

A broad array of entertainment celebrates the area's diversity of eclectic lifestyles. Irvine Spectrum Center hosts over 50 events a year such as World of Dance Live! and Young Americans Back to School, Lunar New Year's, Active Ride Snow Day, OC Chill Ice Rink, Golden Chef Series, Disney Magical Holiday Nights and Style Week OC.

• Gaming

Join in immersive experiences such as THE RiDE 7D or meet friends at Dave & Buster's—a mega hall for dining, arcade games, billiards, game days, and karaoke.

• Attractions

There are many thrilling attractions to appeal to all ages including: a Giant Wheel featuring 52,000 energy-efficient LED lights and 16 million color schemes, a Carousel, a Splash Pad Fountain and Kiddie Train for kids, and seasonal Ice Skating Rink.

Neighborhood Centers – Convenient Locations to Ease Your Lifestyle

Within Irvine Spectrum, unique neighborhood centers such as Los Olivos Marketplace and Alton Marketplace also serve as local gathering spots to meet friends. Sought after retailers such as Whole Foods and Costco along with

services and amenities to meet routine needs are also readily available. Integrated neighborhood centers connected to where you live and work represent another way Amazon employees and residents can be steps away from what they need.

Orange County Great Park –Vibrant Arts and Sports Hub

Irvine Spectrum is also adjacent to the Orange County Great Park (the “Great Park”) where Amazon employees and residents will have access to one of the nation’s largest parkland, arts and sports hubs. Located at the former El Toro Marine Corps Air Station, a 688-acre section of the approximate 1,300-acre publicly owned Great Park, is currently under development for a hub of sports,

recreation, arts, and cultural uses to foster a healthy, active, and enriching lifestyle. www.cityofirvine.org/orange-county-great-park

The Great Park currently features sports, playground and cultural amenities, and is opening the 194-acre Sports Park in phases. Offerings include:

• **The Palm Court Arts Complex**

Home to the Great Park Gallery, the Great Park Artist Studios, and Hangar 244, a 10,000 square foot event center.

• **The Farm + Food Lab**

A unique and interactive outdoor classroom to educate and inspire visitors of all ages, featuring themed raised-bed gardens, fruit trees, vertical gardening, a worm compost bin and solar and wind-powered lights.

• **Sports Park**

Newly opened in fall 2017, the first phase of the Sports Park features a soccer stadium with seating for 5,000; 25 tennis courts; five sand volleyball courts; six soccer/lacrosse fields; and a children’s play area. A one-mile-long bikeway and pedestrian trail, called the Upper Bee and Bosque, opens in late 2017, along with a second children’s play area.

The Great Park’s Sports Complexes, at 472 acres, will include:

- Opening in 2018—12 baseball and softball fields, each with one championship stadium; and six more soccer/lacrosse fields. Adjacent to the Sports Park will be a 188-acre, 18-hole golf course to open in 2019.
- Opening in 2019—an expanded Farm and Food Lab and urban agriculture area; and a Wildlife Corridor.



The Great Park will also house the Anaheim Ducks’ \$100 million Community Ice Facility, the largest public ice facility in California and one of the largest in the United States. When the 270,000 square foot building across 13.5 acres opens in fall 2018, it will have three NHL-size playing surfaces and one international size that will feature 2,500 seats.

The Irvine City Council this year will consider plans for the Great Park’s future 223-acre Cultural Terrace with priority uses of a permanent amphitheater, a lake, museums and a library. Other uses could include a water park and a botanical garden.

Connected Communities – Live Car Free

Getting around is easier than ever in Irvine Spectrum. For many years, Irvine Company and the City of Irvine have made mobility and multi-modal opportunities accessible, convenient, and easy for its residents and employees. The area features the following to serve Amazon employees and residents:

• **iShuttle**

Employees, residents, and visitors can move around easily via iShuttle, a shuttle system operated by the City of Irvine and the Orange County Transportation Agency. The shuttle provides peak hour commute service connecting Irvine Station to the Irvine Spectrum area employment centers, apartment communities and Irvine Spectrum Center.

• **Ridesharing**

Since 1986, a nonprofit transportation management association called Spectrumotion has helped companies and their employees by providing services to encourage ridesharing, carpooling, vanpooling, riding the train and the bus.

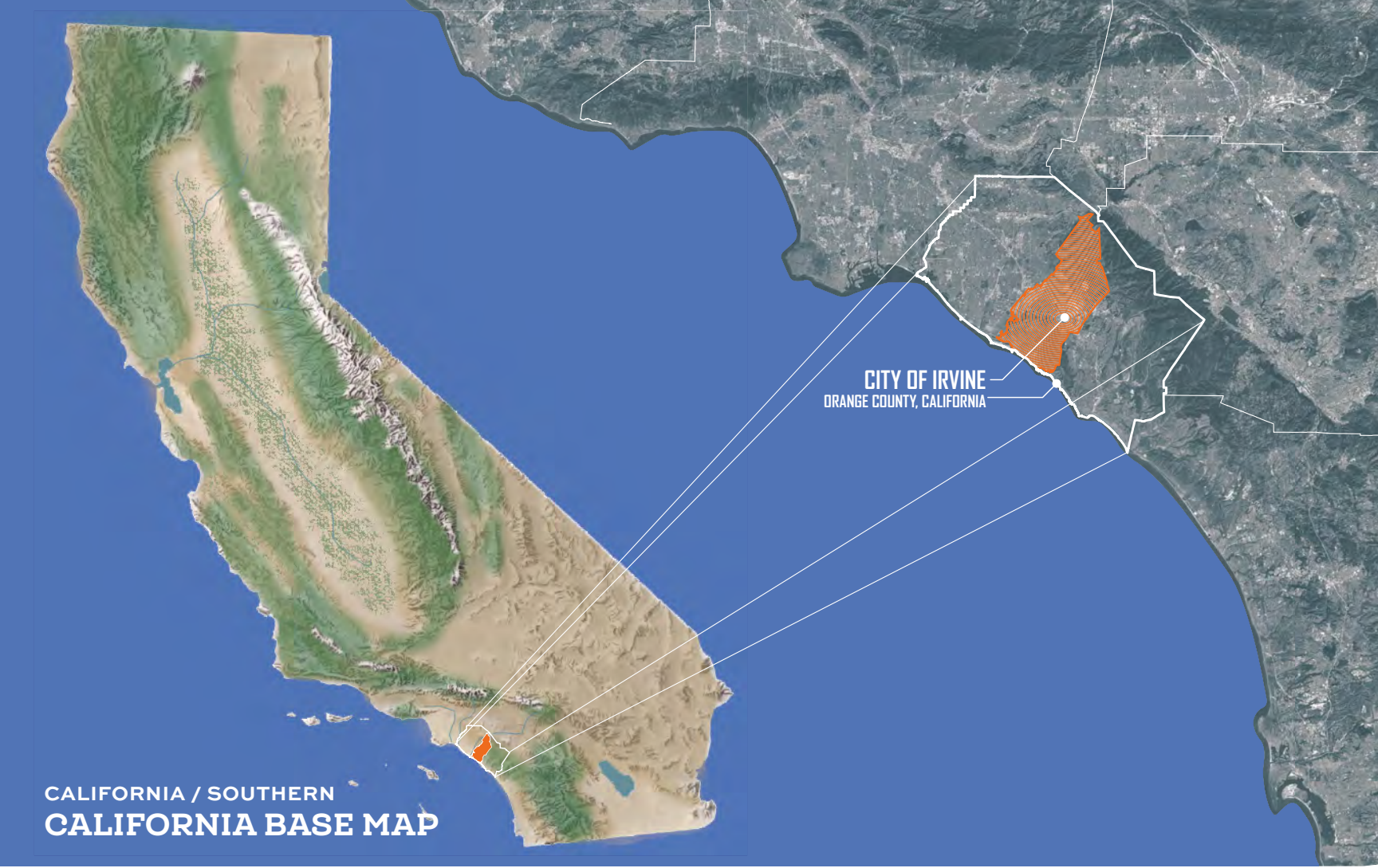
• **Bikeshare**

As an amenity for residents and employees of Irvine Company communities, Irvine Spectrum features nearly 200 bikes and a dozen stations for convenience and to explore the extensive network of bike trails in the area.

So what would it be like for an Amazonian to live here?

One resident, John Desario, has a car that sometimes doesn't move for days. When you can walk to Whole Foods or order food on demand from the many choices at the Irvine Spectrum Center and your favorite neighborhood eateries and ride your bike to work, dependency on a car dwindles and you have more time to pursue your interests. "Most of my friends live in this area. I have weekends where I don't need to leave Irvine. I can ride my bike or take the shuttle to the movies, park, or Irvine Spectrum Center, Uber to the beach, or access the mountain biking trails from home."

Desario, 23, moved to Los Olivos Apartment Village when his work relocated, putting him just one and a half miles from his job within the Irvine Spectrum. While he loves his short commute, the icing on the cake was the opportunity for him to train for his first triathlon at home. He swims at the double Junior Olympic size pool at home, and bikes and runs on the extensive trail system connecting Los Olivos with thousands of acres of preserved open space.



SoCal Lifestyle – Renowned Across the Globe

Chronicled since the first days of Hollywood, the Southern California lifestyle is renowned across the globe. A natural setting of striking physical beauty includes beaches and coastlines, open hills and mountain ranges, and provides an endless resource of recreation, activity, adventure and amusement. Southern California is also a global trend-setting environment for world class arts, entertainment, fashion, food and culture.

Southern California has always been the home of new ideas, cultural trends,

technologies, stories, and fascinating companies and people. It's a culture of innovation and creativity; a landscape as far-reaching as Amazon's business that is rich in resources, opportunity, access and an unparalleled quality of life. It spans from San Diego to Los Angeles, and includes Hollywood, the South Bay, Silicon Beach and all communities in between. The region is one of the most productive in the world—if it were a country, Southern California would rank 15th largest among global economies. It is home to nearly 17 million people.

Orange County – The Heart of Southern California

Irvine is at the center of the 6th largest county in the United States. Orange County, home to 3.2 million people, conveniently accesses the full breadth of natural, economic and lifestyle resources of the region. It is admired as a growing, global center of disruptive contemporary design, innovation and exchange. Orange County is a truly unique business and cultural environment set within a landscape of inspiring natural beauty.

Orange County is also a world-renowned destination for business and tourism with

more than 40 miles of majestic coastline, iconic destinations like Disneyland and Knott's Berry Farm, and more than 500 hotels and 55,000 guest rooms. Surrounding the City of Irvine is a tapestry of distinctive Orange County cities and coastal communities, including Newport Beach, Laguna Beach, Corona del Mar, and Huntington Beach, which meet the lifestyle priorities and commuting preferences of a dynamic workforce. It is among the country's most desirable places to live and work.



An Incomparable Natural Environment – An Outdoor Adventure Awaits Every Day

Sunny Year-Round Climate

Orange County’s exceptional climate allows almost every day to be an outdoor adventure. Its temperature averages 70 degrees with bright and sunny days approximately 70 percent of the year.¹

Summers are moderate to hot with cool evenings and winters are mild with little rain. Irvine offers nearly 300 days of sunshine with only 35 days per year on average of rainfall.

Breathtaking Coastline and Beaches

With 42 miles of breathtaking beaches and coastline, Orange County offers an incomparable natural environment to complement its residents’ daily lives.² Orange County’s miles of coastline and beaches provide visitors with plenty of opportunities for water recreation, eco-education, strolling, coastal hiking or just soaking up the SoCal sun. The OC’s beaches are some of the cleanest, best maintained and most “surfable” in the world—claims

supported by several renowned coastal and travel experts/resources.³

As Irvine is approximately a 15-minute drive to the beach, Amazon employees and residents can go year-round for a jog, surf, swim, or stand up paddle board session before or after work. Or simply head to the beach to catch a sunset and have a cocktail at the end of the day.

Parks, Open Space and Trails

Orange County is home to an expansive network of parks, open space, and trails due largely to Irvine Company’s preservation of

approximately 60% of the 93,000 acres of The Irvine Ranch and the presence of the publicly owned Orange County Great Park.

It is no wonder the Trust for Public Land ranks Irvine as having the 7th best park system in the nation.

Amazon employees and residents would have access to limitless terrain for hiking and mountain biking and be minutes away from some of the most amazing trails throughout the region, including the 22-mile Mountains to Sea Trail, Quail Hill Open Space and Laguna Coast Wilderness Park.

The vast array of unique and incredible recreational opportunities created

through Irvine’s landmark Open Space Initiative can be viewed here: www.LetsGoOutside.org.

Irvine is also host to a robust bikeway system of more than 60 miles of off-street bikeways and more than 300 miles of on-street bike lanes. While most cities are exploring ways to retrofit their street systems to create a more bike friendly environment, Irvine’s planned community boasts one of the most bike friendly environments for Amazon riders to ride safely.

Winter Recreation

Orange County isn’t just about sun and surf—its backyard is the California Eastern Sierras. Mammoth Mountain, representing some of the best terrain in the country for skiing and snowboarding is approximately 6 hours away by car or

one hour by flight from Los Angeles. Local ski resorts are just a 1.5 hour drive by car. It is no wonder you hear the popular refrain that residents living in Southern California like to ski and surf.

Arts & Entertainment—A Thriving Scene

Just south of Los Angeles, the OC boasts a thriving performing and visual arts scene that attracts talent from neighboring Hollywood and around the world. Costa Mesa is known as the City of the Arts, where visitors come for first-run live theater at South Coast Repertory, superb symphonic performances and Broadway shows at the stunning Segerstrom Center

for the Arts and incredible visual arts displays vis-a-vis nationally renowned organizations such as Pageant of the Masters and the Sawdust Art Festival in famous Laguna Beach. Anaheim boasts fantastic family fun with multiple arts and entertainment venues located around Disneyland. The OC is an ideal destination for art lovers of every inclination.⁴

^{1, 2, 3} Orange County Visitors Association

⁴ Orange County Visitors Association

HOUSING OPPORTUNITIES

OC Housing Stock:
Easily Accommodating 50K Employees...

There is no shortage of press highlighting the shortage of coastal California’s housing supply. However, with an existing base of 1.1M total housing units (notably 20% more than King County), Orange County’s housing market can easily accommodate Amazon’s diverse and high-growth HQ2 workforce needs.⁵

Specifically, an extremely conservative talent recruitment scenario (i.e., all 50,000 HQ2 employees are sourced outside Orange County and are thus considered new residents—unlikely given

the strength of the underlying talent pool) implies 33,000⁶ new homes would need to be built to support HQ2. This is achievable: the county’s total housing stock has grown by ~3% over the last six years (35,000 homes), and the City of Irvine alone has a fully-entitled residential pipeline consisting of 20,000+ units.⁷ Orange County—and specifically Irvine in partnership with Irvine Company—is well-planned for continued housing development in support of a growing population.

...Yet Development Committed to “Work-Life” Integration

Irvine’s commitment to well-planned economic development is evident in the city’s consistent but balanced housing supply increases. While the Master Plan was designed for growth, accommodating Irvine’s rapid population increases has come without disruption to the city’s natural landscape or high-quality living

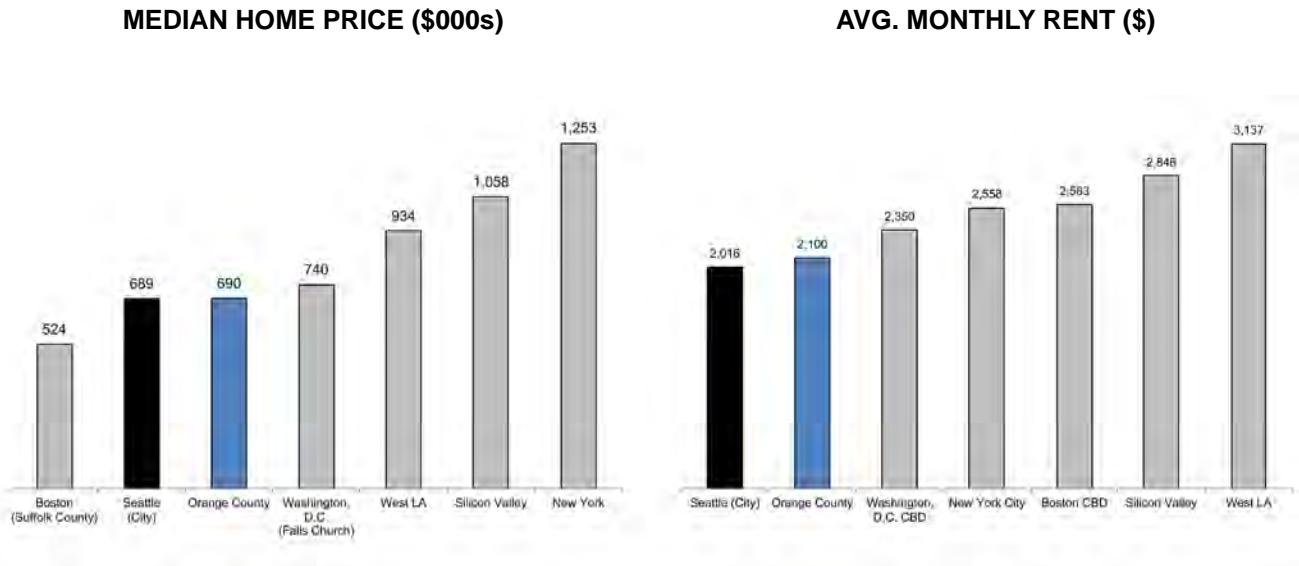
standards. Cumulative housing supply in Irvine has increased by an impressive 20% since 2010⁸; yet over the same time period, more than 20,000 acres of Irvine Ranch land was permanently preserved as open space.⁹ Today, a full third of the city is permanently preserved.

OC For-Sale Landscape: Surprisingly Low Sticker Shock

The mix of for-sale v. rental inventory in Orange County is roughly 55%/45%, similar to the housing landscape in Seattle (55%/45%). Current median home prices are \$690K—directly comparable to the

city of Seattle (\$689K), and on average a 30% discount to other highly amenitized gateway markets like DC, West LA, Silicon Valley, and New York.

Exhibit 1: Relative Housing Cost Perspective



Source: CoreLogic (August 2017); Zillow (August 2017); Axiometrics(2Q17). Median home price data includes existing, new, and condo sales.

Within the market there is variety in value, ranging from 20%+ discounts to median values in the cities of Rancho Santa Margarita and Aliso Viejo, each importantly only 5-10 miles from Irvine Spectrum and an estimated 15-20 minute commute time,¹⁰ to over \$3M in Newport Coast, where premier “executive housing product” often features ocean and canyon views characteristic of

Southern California’s unique topography. Importantly, roughly 10 cities in Orange County are within a 20-minute radius of Irvine Spectrum, with seven of these cities offering up to a 20% discount to the county median home price. Affordability—particularly for a high-wage employee making \$100K/ year—is accessible within a standard commuting range.

⁵ American Community Survey, ⁶ Assumes a jobs/population ratio of 1.5x, ⁷ Irvine Company, ⁸ CA Department of Finance, ⁹ Goodplanning.org

¹⁰ CoreLogic; ESRI (Commute times based on travel time to the Irvine Spectrum on a Tuesday at 8AM)

Exhibit 2: Orange County Housing Costs by City

Outside of Orange County, the increasingly amenitized Inland Empire is a cost-effective option, offering another 1.5M total housing units and implying HQ2 employee housing stock options more than double. Median home values of \$340K are a 50% discount to Orange County and the region provides a direct freeway path to Irvine Spectrum via the CA-241 toll road.¹¹

For those who prioritize proximity to work (as well as beach access/recreation), highly amenitized product, and one of

the leading public education systems in the country, Irvine itself may prove a compelling living option. Although home values in the city represent a premium relative to broader Orange County costs, they are driven by the strength of the city’s K-12 public education system, its thoughtfully master-planned villages, and its incomparable preserved open spaces. Irvine Spectrum is only 10 miles from Laguna Beach, yet home prices are half the cost and residents of both locations enjoy the same sand.

FOR-SALE OPTIONS
\$690K
Median Home Price

CITY	MEDIAN PRICE (\$)
STANTON	439,000
RANCHO SANTA MARGARITA	535,000
ALISO VIEJO	545,000
GARDEN GROVE	545,000
LA HABRA	547,000
ANAHEIM	550,000
SANTA ANA	550,000
BUENA PARK	563,000
SILVERADO	575,000
FULLERTON	607,500
WESTMINSTER	615,000
MIDWAY CITY	617,500
ORANGE	629,000
TUSTIN	642,000
LA PALMA	646,500
FOOTHILL RANCH	655,000
CYPRESS	659,750
LAKE FOREST	660,000
LAGUNA HILLS	661,500
PLACENTIA	665,000
MISSION VIEJO	684,250

RENTAL OPTIONS
\$2,100
Average Rent /Month

AXIOMETRICS SUBMARKET	ASKING RENT / MO. (\$)
NORTH ANAHEIM	1,601
BUENA PARK	1,611
NORTH SANTA ANA	1,657
BREA	1,717
WESTMINSTER/FOUNTAIN VALLEY	1,741
FULLERTON	1,755
PLACENTIA	1,761
ORANGE	1,927
COSTA MESA	1,928
SOUTH ANAHEIM	1,943
MISSION VIEJO	1,951
TUSTIN	1,979
HUNTINGTON BEACH	1,983
LAGUNA BEACH/DANA POINT	2,085
LAGUNA HILLS	2,090
SOUTH SANTA ANA	2,144
IRVINE	2,476
NEWPORT BEACH	2,723

Source: CoreLogic (July 2017); Axiometrics



OC Housing Breakdown: Rental Market

Rentals account for 45% of total stock, with current asking rents roughly \$2,100/month for institutional-quality product, in-line with Seattle market rents.¹² Unit mix implies 1-bedroom and 2-bedroom options largely categorize the market (90% of mix), ideal for a workforce skewing younger in age and more likely to choose apartment-style living than home ownership.

Importantly, six rental markets within Orange County are 20 minutes away from Irvine and offer monthly rents up to 20% below the Irvine average.¹³ Broadening commute times to 30 minutes implies 23 OC cities are covered with average rents at an even greater 30% discount.

Walk or Bike to Work: Housing Options in Irvine Spectrum

More than 2,000 for-sale homes are located in Irvine Spectrum, with another 5,000 planned for the nearby Orange County Great Park neighborhoods.¹⁴ There are also 7,000 existing apartment units, with another 1,800 entitled units slated for completion well within the next five years.¹⁵

Amazon already houses 1,200 employees (predominantly comprising high-wage software engineers) in its Irvine Spectrum office space. At a minimum, 20% of the local employee base is known to live in Irvine apartments (v. other areas of Orange County), and 10% live specifically in Irvine Spectrum.¹⁶ This implies there is decent demand from Amazon employees

¹² Axiometrics (2Q17), ¹³ ESRI (Commute times based on travel time to the Irvine Spectrum on a Tuesday at 8AM), ¹⁴ Irvine Company; Zelman & Associates Five Points Analyst Coverage, ^{15,16} Irvine Company, ¹⁷ ACS 2016 1yr estimates

¹¹ Corelogic

for amenities and “walkability”, as well as a willingness to pay for each. Local costs of living do not suggest housing is a barrier to entry, as average household rent-to-

income ratios are only 21%, well below the 30%+ average in other prime gateway markets.¹⁷

Structural Housing Cost Conclusions – People Pay for Sunshine

Academic research independently conducted by top-rated universities like Chapman University in Orange County and UCLA in Los Angeles has proven a meaningful relationship exists between a given market’s natural amenity strength and a higher cost of living acceptance.¹⁸ Specifically, a single point improvement in amenity strength can drive up to \$30,000 of incremental housing value. Out of over 3,000 US metros, coastal California captures all top 10 ranks in the USDA’s natural amenities strength index; Orange County specifically ranks #10.¹⁹

The county boasts some of the most unique natural amenities in the world, with nearly 300 days of sunshine per year, a maximum of 25 mile distances to the ocean, and a less than two hour drive to mountain ranges that are skiable in winter. Very few places render it feasible to hit the beach and the slopes in a single day, yet in Orange County, it’s possible. Plenty of local residents (Amazonians included) would agree: moving here is worth it.

IRVINE RANCH MASTER PLAN & ENVIRONMENTAL SUSTAINABILITY

Good Planning: The Irvine Ranch Master Plan



The 93,000-acre Irvine Ranch stretches nine miles along the Pacific coast, 22 miles inland and encompasses more than one-fifth of Orange County’s total 798 square miles. Within its boundaries lie the City of Irvine and parts of Newport Beach, Laguna Beach, Tustin, Orange and Anaheim, plus unincorporated county land and small portions of Santa Ana and Costa Mesa.

From the beginning, James Irvine instilled an attitude toward the land that endures to this day: The Irvine Ranch is a valuable, nonrenewable resource that must be managed with careful planning and long-range vision.

Growing out of this view, Irvine Company drafted a sophisticated Master Plan that would guide the orderly development of the entire Irvine Ranch. The plan called for a balance of land uses to support economic growth and promote quality of life, including a University of California campus that is renowned today for its pioneering research and innovative students.

Today, The Irvine Ranch is considered one of the largest and most successful master-planned urban environments in the United States.²⁰

¹⁸ “The Fundamentals of the Housing Market: A Closer Look at Los Angeles.” UCLA Anderson Forecast for the Nation and California, June 2017. OC Model: Phase 2 Research, Chapman University, October 2017.

¹⁹ United States Department of Agriculture

²⁰ Irvine Company

Stewardship: Unmatched Open Spaces, Permanently Preserved

Since 1864, Irvine Company has been entrusted with the stewardship of planning, developing and preserving some of the most beautiful and valuable land anywhere.

More than 60 percent of the entire Irvine Ranch—57,000 acres—has been permanently preserved as parks, trails and natural open space.

A majority of these lands have been designated a Natural Landmark by both the U.S. Department of the Interior and the State of California. These lands have been preserved—and where appropriate, improved—for future generations. They offer a contrast to the built environment, define and enrich the communities they surround and provide a great variety of recreational opportunities for residents.

A History of Conservation & Sustainability

Today, The Irvine Ranch leads the region and state in water stewardship, energy efficiency and open space preservation.²¹

Formed in 1961, the Irvine Ranch Water District has been an innovator in the deployment of water-saving technology. From drip irrigation to low-water landscaping, Irvine is committed to sustainable water use.²²

The innovations include a pioneering and comprehensive reclaimed water system that is considered the most aggressive commitment to using reclaimed water in California’s history.

More than 450 miles of dual-track

pipeline transport treated reclaimed water throughout The Irvine Ranch, irrigating landscaped areas such as parks, community greenbelts and roadway medians.²³ Irvine’s reclaimed water system delivers nearly 24 million gallons of recycled water per day, saving enough potable water to meet the complete water needs of over 65,000 homes.²⁴

Included in this open space is the San Joaquin Marsh, which has been featured as a national case study in large-scale wetland restoration. Over 12 miles of trails allow residents to explore this restored 300-acre natural habitat and observe the 280 native bird species that call it home.²⁵

Irvine: One of America’s Greenest Cities

Irvine has long set a high standard for sustainable development, receiving national recognition as one of America’s Greenest Cities for its commitment to environmental stewardship.²⁶ The city’s efforts span programs in green building, a 20-year energy plan, a zero waste ordinance, and numerous emissions reducing transportation initiatives.²⁷

Today, new homes in Irvine are built to a standard 50% more water efficient than their older counterparts. The city also supports a comprehensive program promoting energy efficiency and health conscious development.²⁸

For the past several years, Irvine has hosted the US Department of Energy’s Solar Decathlon at the Orange County Great Park. Bringing together participants from across the nation, this event showcases Irvine’s ability to be an incubator for sustainability and stewardship.²⁹

Similarly, as an integral part of the community, UCI’s Top 10 ranking nationally for sustainability by the Sierra Club exemplifies a continued commitment to sustainability at all levels.

²¹ Irvine Company, ^{22, 23, 24, 25} Irvine Ranch Water District

²⁶ WalletHub, ^{27, 28, 29} City of Irvine

57^k

ACRES OF PERMANENTLY
PRESERVED OPEN SPACE
ON THE IRVINE RANCH

#7

NATIONAL RANKING OF
IRVINE'S PARK SYSTEM
BY THE TRUST FOR
PUBLIC LAND

24^M

GALLONS DELIVERED
DAILY THROUGH IRVINE'S
PIONEERING RECYCLED
WATER SYSTEM

#1

IRVINE COMPANY'S
NATIONWIDE RANKING
FOR ENERGY-EFFICIENT
BUILDINGS

1^M

NUMBER OF TREES
PLANTED BY IRVINE COMPANY
OVER THE LAST 50 YEARS

IRVINE CITY GOVERNMENT & COMMUNITY

Fiscally Strong

Irvine has recently been ranked by the *Fiscal Times* as first in the nation for its fiscal management.³⁰ The city's budget is guided by the core values of innovation, integrity, professionalism, flexibility, and responsiveness in order to meet the demands of a growing city.

The City Council has mindfully built into its budgeting process a goal of achieving a

25 percent contingency reserve, and has taken the initiative to actively pre-pay its pension liabilities.³¹

Additionally, to underscore fiscal sustainability, the city's infrastructure investment program, a component of the Strategic Business Plan, has been extended from a five-year to a ten-year horizon.³²

Business-Friendly

Irvine is committed to supporting its growing, diversified economy with exceptional public services and programs that benefit existing Irvine businesses as well as prospective businesses looking to expand or relocate to Irvine.³³

These services and programs include a development assistance center, one-stop permit center, dedicated business liaison staff, an entrepreneur forum and business incubator, among others.³⁴

Diverse

Recognized as one of the most ethnically diverse cities in the country, Irvine draws on its cultural vibrancy to enhance the lives of its residents and workers.

No ethnicity accounts for a majority of Irvine's population, with 43% of Irvine's population Asian, 40% Caucasian, and 11% Hispanic.

Through multicultural programs and sister city relationships, the City of Irvine recognizes the value of investing in and meeting the needs of its diverse and growing community. Over 50 cultures and 20,000 visitors come to Irvine for its signature Global Village Festival.

³⁰ *Fiscal Times*, ^{31, 32} City of Irvine Budget, ^{33, 34} City of Irvine



City Governance

Founded in 1971, the City of Irvine remains a youthful, vibrant and growing place. The City Council is committed to making Irvine a community that is not just livable, but a truly great place to live, work and raise a family.³⁵

The City of Irvine is a Charter City

governed as a Council/Manager form of government, composed of a Mayor, four City Council members and a city manager. Council members serve a four-year term and the Mayor serves a two-year term. The city has a two-term limit for elected officials with elections held in even numbered years.³⁶

^{35, 36} City of Irvine

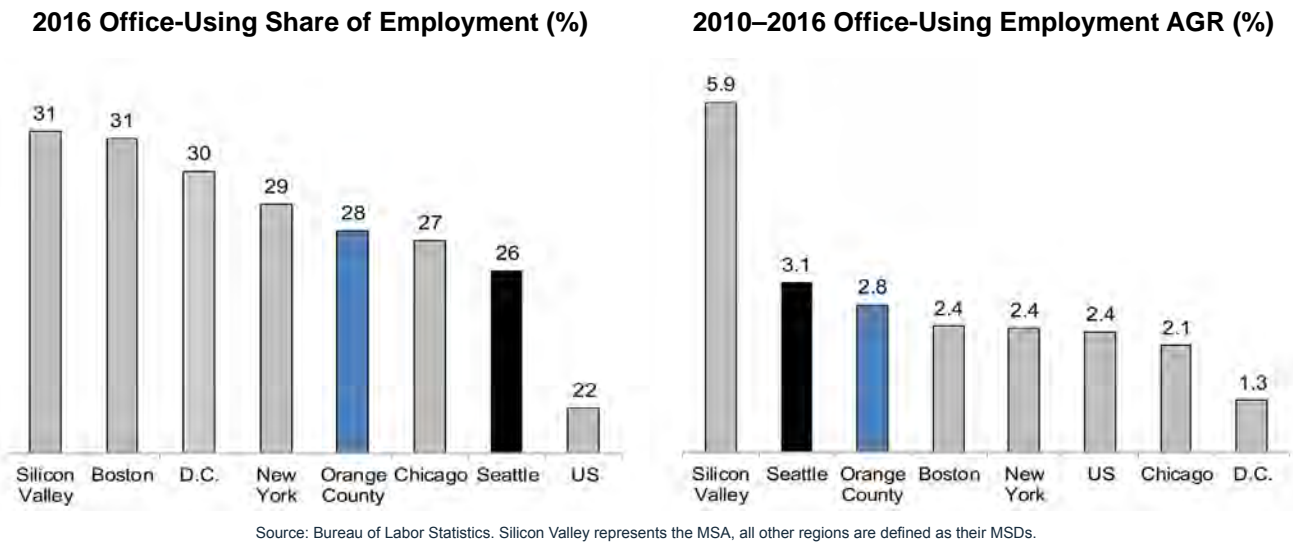
TOP TALENT & STEM EDUCATION
Business Ecosystem

ORANGE COUNTY’S LABOR MARKET
Supplying Amazon’s Demand

Located between Los Angeles and San Diego counties, Orange County geographically sits at the center of the SoCal region, and is home to a diverse and sophisticated set of over 90,000 businesses.³⁷ The county’s labor market captures nearly 1.6M people—28% of

which is considered high-quality/white-collar, or office-using. This high-quality share of jobs is above the national average by 6%, and mimics gateway cities. At nearly a 3% CAGR, growth has also matched or exceeded gateway peers over the last six years.

Exhibit 1: Orange County’s High-Quality Labor Market



³⁷ U.S. Census, County Business Patterns (2015)

Given its large and high-quality base, Orange County’s labor market provides ample opportunity to supply 50,000 white collar employees in the next 10-15 years. Specifically, Amazon’s hiring plans only require the office-using labor pool to grow 0.9% per year³⁸—comfortably below the market’s 1.5% long-run average³⁹ and meaningfully below the ~3% CAGR experienced in the last six years.

With nearly 100,000 software developers and over 2M professionals fitting

Amazon’s HQ2 occupation targets in Southern California, Orange County draws from a deep talent pool with a plentitude of sourcing opportunities. Specific to Amazon’s RFP requirements: there are over 100,000 executive/management occupations; 38,000 engineers; 25,000 software developers; 35,000 accountants, and 13,000 lawyers in Orange County. Fifteen AmLaw 100 firms have a local presence, as do all “Big 4” Accounting firms.⁴⁰

Exhibit 2: RFP Requested Labor and Wage Information

Southern California				Orange County			
Requested Employment Position	Count (000s)	Annual Median Wage (\$000s)	% of Employment	Requested Employment Position	Count (000s)	Annual Median Wage (\$000s)	% of Employment
Executive / Management	413	110	5.8	Executive / Management	101	114	6.5
Engineering / Architecture	142	90	2.0	Engineering / Architecture	38	85	2.4
Software Developers	93	102	1.3	Software Developers	25	104	1.6
Legal	64	101	0.9	Legal	13	92	0.8
Accounting	163	57	2.3	Accounting	34	57	2.2
Administrative	1,198	37	16.7	Administrative	263	37	16.8
Relevant Fields Total	2,073	62	28.9	Relevant Fields Total	475	64	30.4
Total Non-Farm Employment	7,171	40	100.0	Total Non-Farm Employment	1,563	40	100.0

Source: Bureau of Labor Statistics Occupational Data; American Community Survey 2016 1-Year Estimates.

Orange County’s Tech Scene: Surprisingly Competitive with Seattle’s

Technology employment represents an important and growing share of Orange County’s high-quality labor market. There are over 100,000 STEM jobs in the county (ranks 16th nationally), and nearly 2,400 tech companies.⁴¹ Average wages

for STEM workers are \$82K—still Top 10 within the US and thus indicative of a premium and competitive talent pool; yet simultaneously a cost-saving ~8% discount to the Seattle market.⁴²

³⁸ There are 440K office-using jobs in OC today; grown by 50,000 jobs over 12.5 yrs (10-15 yr mid-point),
³⁹ Long-run average captures 26 years of office-using data (1990-2016; longest time series available),
⁴⁰ Orange County Business Journal Book of Lists (2016); American Lawyer (2016), ⁴¹ Capital IQ (2017); captures IT firms only, ⁴² BLS, Occupational Employment Statistics (2016)

Exhibit 3: National STEM Employment & Wage Statistics

STEM Employment (000s)			Average STEM Wages (\$)		
National Rank	Region	2015 Employment	National Rank	Region	Avg. Wage (2015)
1	New York	322	1	San Jose	105,920
2	Washington, DC	276	2	San Francisco	101,083
3	Houston	208	3	Washington, DC	96,893
4	Los Angeles	198	4	Seattle	88,587
5	San Jose	195	5	San Diego	83,753
6	Chicago, IL	194	6	Los Angeles	83,117
7	Seattle	188	7	Sacramento	82,557
8	Dallas	174	8	Orange County	82,457
9	Boston, MA	171	9	Boston, MA	82,300
10	Atlanta	158	10	Hartford	81,223
11	Minneapolis	138	11	Baltimore	81,093
12	San Francisco	124	12	Houston	80,807
13	Phoenix	120	13	Denver	79,743
14	Denver	114	14	New York	79,583
15	San Diego	112	15	Detroit	76,667
16	Orange County	102	16	Providence	75,707

Source: Bureau of Labor Statistics Occupational Data. STEM defined as computer and mathematics, engineering and architecture, and science occupations.

Orange County’s venture capital landscape is also growing. The county has drawn a notable amount of VC funding in recent years, including significant investments in cybersecurity, virtual/augmented reality and financial technology (“fin-tech”). Over the last five years, more than \$5B has been invested into Orange County companies, ranking the county #9 in the

US for venture capital dollar volumes, just below Seattle. Including OC’s coastal SoCal brethren (San Diego and Los Angeles), \$24B collective venture capital dollars have been invested into the region since 2011—tying SoCal with Boston as #4 in the US and proving Orange County truly is in the center of one of the country’s most innovative hot-spots.

Exhibit 4: US Venture Capital Investment

Rank	Region	2011 – 2016 VC Funding (\$B)
1	San Francisco	59
2	San Jose	52
3	New York Metro	28
4	Boston	24
5	Los Angeles	13
6	Washington Metroplex	7
7	San Diego Metro	6
	Seattle	6
	Orange County	5
10	Chicago	5
	Southern California Total (LA, OC, SD)	24

Source: Thomson One.

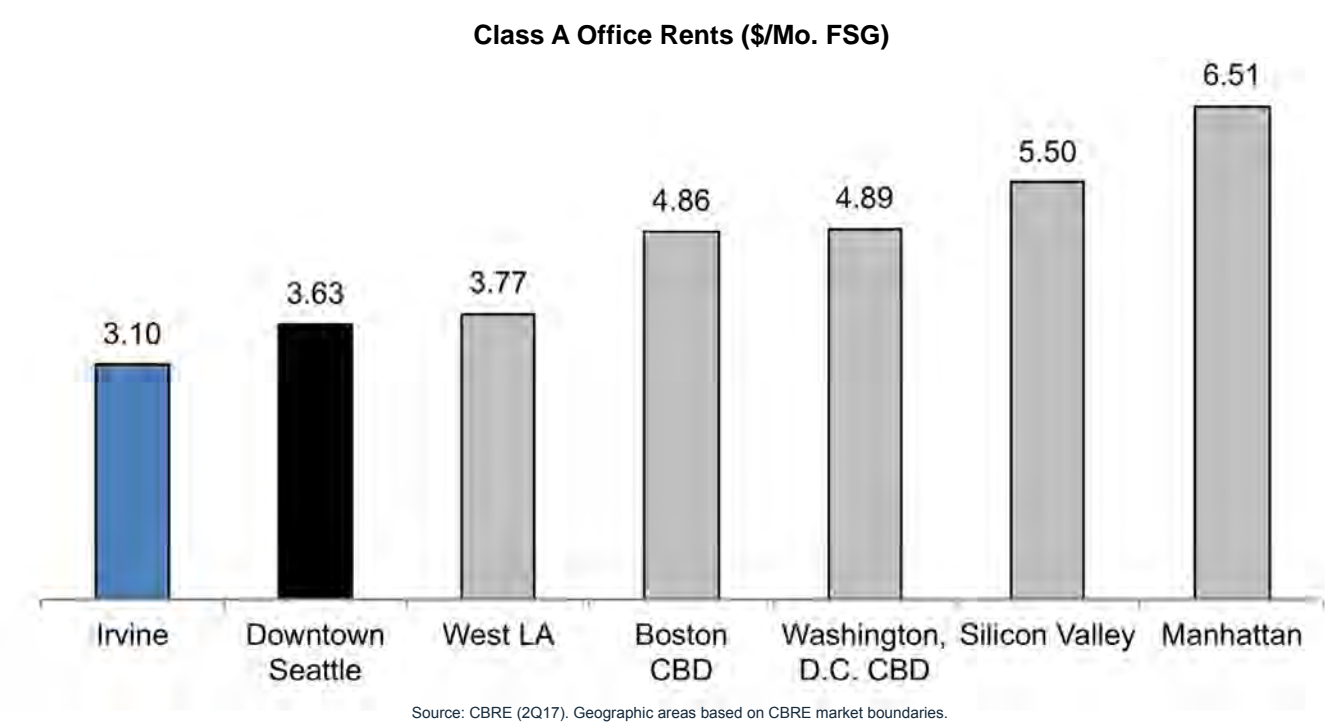
Irvine: The Dominant OC Employment Hub

Within Orange County, Irvine is a large, diversified employment hub, with over 267K residents,⁴³ 265K jobs,⁴⁴ and nearly 60M SF of commercial office, industrial, and R&D space.⁴⁵ Together with Newport Beach, the city is defined as a top, and, perhaps, “the only” consideration for office space in Orange County, per a variety of technology CEOs currently

choosing Irvine as the primary location for their operations.⁴⁶ In addition to top-notch human capital access (as well as the luxuries afforded by the city’s 10 mile distance to the ocean), Irvine is relatively cost effective: Class A office rates are 15% below downtown Seattle, and up to 50% cheaper than gateway markets like Silicon Valley, New York and West LA.

⁴³ CA Department of Finance; Population Estimates (2016), ⁴⁴ ACS 2016 1-Year Estimates. At nearly 100%, Irvine’s jobs/population ratio provides a unique window into the city’s high-quality demographics, ⁴⁵ CBRE Econometric Advisors (2017), ⁴⁶ Based on tech company CEO focus group interviews with Irvine Company in 2017

Exhibit 5: Class A Office Rents



In many ways, Irvine is *the* Orange County office market. The city represents a quarter of the county’s office-using employment base, and has captured nearly half of all new OC office-using jobs created over the last several years.⁴⁷ Four of the six large public tech companies headquartered in Orange County are specifically found in Irvine—a number just shy of Seattle’s count (5).⁴⁸ A third of the county’s STEM workers reside in the city (31,000),⁴⁹ 40% of OC’s tech companies are located in Irvine (900+);⁵⁰ and over 50% of total county venture capital dollars

have been invested in Irvine-based start-ups since 2011.⁵¹ Irvine also houses nearly 5,000 hotel rooms,⁵² easily serving its vibrant business community and guests.

From large, public technology companies like Activision Blizzard, Corelogic, and Alteryx to emerging, venture-backed firms like Cylance and AutoGravity, numerous cutting-edge businesses call Irvine home. The city is perfectly positioned to foster Orange County’s go-forward growth and innovation.

⁴⁷ UCLA Anderson Forecast Analysis of Orange County & Irvine Employment (2015, custom), ⁴⁸ Capital IQ (2017); Orange County Book of Lists (2016), ⁴⁹ ACS 2016 1-Year Estimates, ⁵⁰ Capital IQ (2017); captures IT firms only, ⁵¹ Thomson Reuters Venture Capital Investment Database (2017), ⁵² Irvine Visitors Association, Destination Irvine. At 365 days/year, 5K hotel rooms implies 1.8M hotel nights in Irvine, well above the 233K nights used by Amazon employees in 2016

Exhibit 6: Large Employers in Irvine

Employers with a Large Irvine Presence	Has An Irvine Spectrum Location	Employers with a Large Irvine Presence	Has An Irvine Spectrum Location	Employers with a Large Irvine Presence	Has An Irvine Spectrum Location
Activision Blizzard	X	Dell	X	Masimo	X
Allergan		Eaton Aerospace	X	Mazda	X
Amazon	X	Edwards Lifesciences	X	Meggitt	X
B Braun Medical		Ford	X	Microsoft	
Bio Rad Laboratories	X	Google		Parker Aerospace	
Broadcom	X	Houzz		Parker Hannifin	X
Burleigh Point	X	Incipio Technologies	X	Rockwell Collins	
Canon	X	Ingram Micro		Taco Bell - Corporate Office	X
Capital Group	X	In-N-Out Burgers - Corporate Office		Thales	X
Corelogic	X	Johnson & Johnson	X	Toshiba	X
Covidien	X	Kelley Blue Book	X	Toyota	X
Curse (Amazon)	X	Kofax	X	Verizon	X
Cylance	X	KPMG	X	WeWork	X

Source: CoStar; Orange County Business Journal Book of Lists; Irvine Company.

Proven Attractiveness: Irvine Spectrum Customer Testimonials

The combination of talent, relative costs, and amenities that the Irvine Spectrum office market is able to provide yields a plethora of satisfied office customers. A sampling of local company testimonials is below:

- 36
- “Our new headquarters in Irvine gives us the opportunity to recruit and retain a workforce that reflects the culture and passions of our company.”
*Michael Comperda, Chief Technology Officer and President at Curse/Amazon*⁵³
 - “We are growing at a rapid and exciting pace and we’re looking for the best talent in the industry. This building offers a state-of-the-art space and has the right footprint for our growing U.S. operations. It has the type of amenities that will attract world-class talent and it will enable us to create a contemporary work environment that will inspire our team to keep innovating.”
*Martin Manniche, Founder, Chairman and CEO at Greenwave Systems*⁵⁴
 - “Continued improvement of the work environment will lead to a better experience for our customers, and that is our ultimate goal.”
*Masahiro Moro, President and CEO, Mazda North American Operations*⁵⁵
 - “The Spectrum area is a hub for growth in our industry and a powerful tool to recruit the best and brightest minds for sustained growth.”
*Shaun Walsh, SVP at Cylance*⁵⁶

53, 54, 55, 56 Irvine Company

Lastly, and perhaps most importantly, Irvine already houses the high-quality employment base Amazon is specifically looking to hire. Among large US cities, Irvine ranks #1 on share of employment in Amazon’s desired technical and managerial fields (54% of the city’s employment base); further, these segments have grown at 4% a year since 2010.

Exhibit 7: Irvine’s National Employment Share Ranks

Requested Employment Position	Residents (000s)	2010 – 2016 CAGR (%)	% of Resident Employment	Share Rank Among Large US Cities
Executive / Management	20	4.2	15	#4
Engineering / Architecture	8	6.5	6	#1
Computer and Mathematics	11	5.9	8	#5
Legal	3	4.1	2	#1
Business & Finance	14	4.6	11	#6
Administrative	13	0.8	10	#79
Relevant Fields Total	69	4.2	54	#1
Total Employment	127	3.6	100	N / A

American Community Survey 2016 1-Year Estimates. Large cities defined as having populations of over 250K. Software Engineering stats not available at city (Irvine) level.

HIGHER EDUCATION NARRATIVE

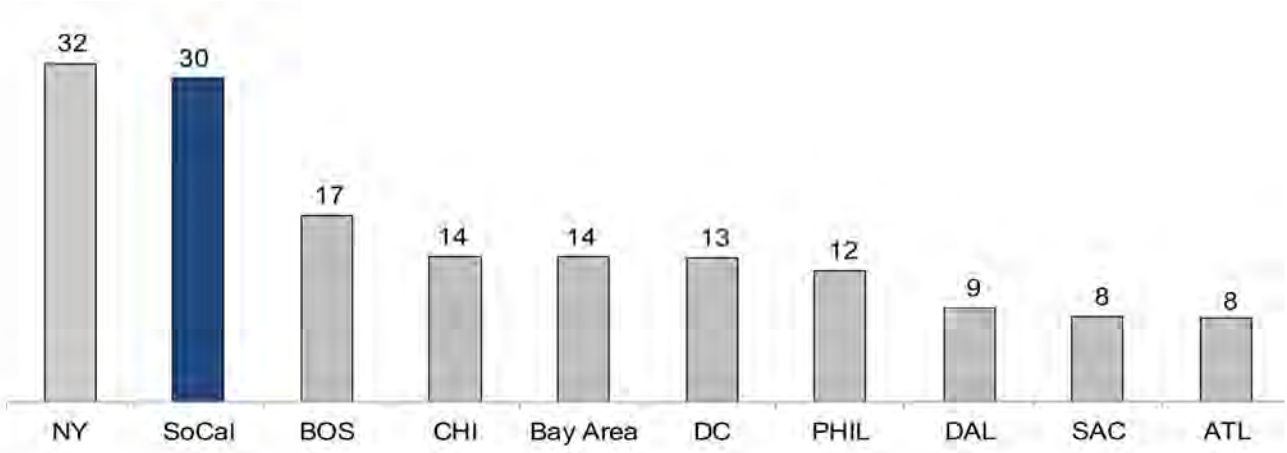
SoCal: Logistically Easy Talent Sourcing

From a workforce planning perspective, Southern California⁵⁷ is a top producer of US human capital. The region is home to over 130 institutions of higher education, and collectively contributes nearly 160,000 undergrad and post graduates per year.⁵⁸ By share, nearly a fifth of those graduates major in STEM-related fields; by volume, annual STEM grads equate to over 30,000—the most in the Western US and second on a national basis only to the NY/NJ/CT Tri-State area. Comparatively, Boston ranks a distant third, and the smaller Bay Area region ranks #5.

Exhibit 1: Annual STEM Degrees Granted by US Metro

In addition to the size of SoCal's talent pool, the quality is also extremely high. The region hosts multiple world-class universities, with seven ranked in *US News & World Report's* Top 50—including Irvine's own University of California, Irvine (UCI). These seven top-rated schools generate over a third of SoCal's annual graduate pool, and conveniently provide “same-day” accessible recruiting options from the City of Irvine. In addition, they are also all ranked higher than Seattle's local University of Washington (#56).⁵⁹

TOP 10 US RANK
(Bachelor's or Higher, in 000s)

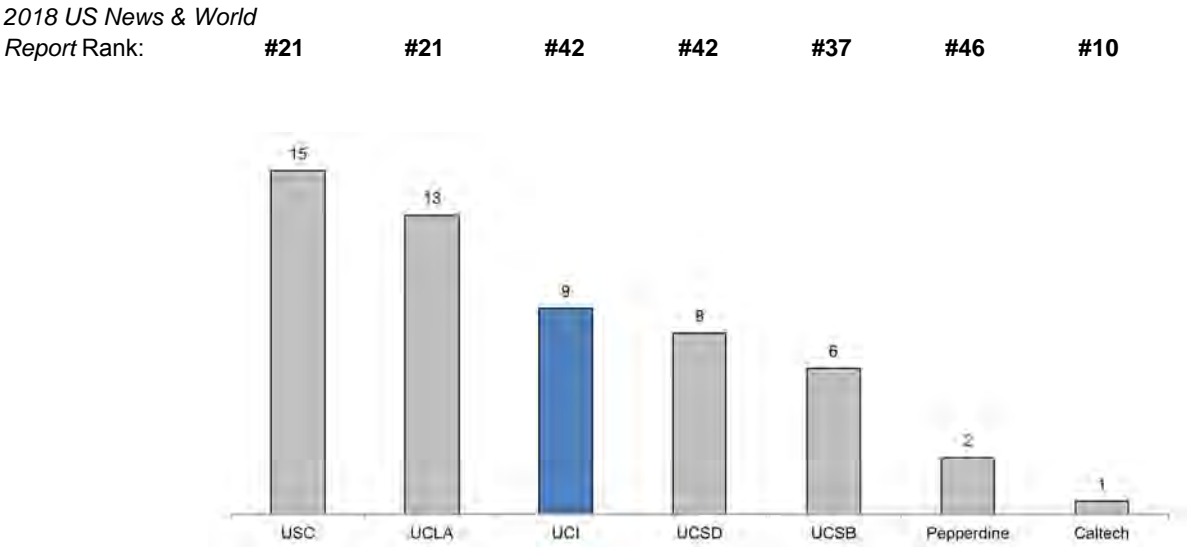


Source: National Center for Education Statistics (2015). SoCal region includes LA / OC / SD; Bay Area SF / SV / OAK. All other metros shown are MSA.

⁵⁷ Defined as Los Angeles, Orange, and San Diego counties, ⁵⁸ National Center for Education Statistics; 2015, ⁵⁹ *US News & World Report*, 2018 Rank

Exhibit 2: Top SoCal University Graduate Counts and Rankings

ANNUAL BACHELOR'S DEGREES OR HIGHER
(2015, 000s)



Source: National Center for Education Statistics (2015); *US News & World Report* (2018).

Specific to Amazon's RFP request, these Top 7 schools have granted close to 60,000 degrees in HQ2 relevant fields over the last three years—including Business, Administrative, Software, Engineering, Law and Accounting fields.

Exhibit 3: RFP Requested Historical Degrees Granted Information

Degrees Granted in Relevant Recruiting Fields (000s)

Top Seven Southern California Universities	2014	2015	2016	Trailing 3-Year Total
University of Southern California	6.1	6.8	7.0	19.9
University of California-Los Angeles	3.5	3.7	3.8	10.9
University of California-Santa Barbara	1.4	1.5	1.6	4.5
University of California-Irvine	2.8	2.8	3.1	8.5
University of California-San Diego	2.9	3.0	3.6	9.5
Pepperdine University	1.2	1.2	1.2	3.7
California Institute of Technology	0.3	0.3	0.3	0.9
SoCal Top 7 Total	18.0	19.3	20.6	57.9

Source: National Center for Education Statistics (2015). Relevant fields include Business, Administrative, Software, Engineering, Law and Accounting degrees.

Orange County: Center of the Base

There are 14 academic institutions in Orange County offering 4-year degrees, with collective enrollment of 100K students. The lion’s share of graduates are sourced from two major universities: California State University at Fullerton (~40K enrolled undergraduate and

graduate students/year), and University of California, Irvine (~34K enrolled undergraduate and graduate students/year). Together, these two schools produce a combined 3,500 STEM undergraduates annually—or nearly 95% of the county’s STEM supply.⁶⁰

Irvine: The Best and The Brightest

The City of Irvine represents one of the country’s highest-quality submarkets from a demographic perspective, with a young, educated workforce (median age 35; SEA 36 and US 38); nearly 40% of the city’s job base is professional (SEA 26% and US 22%); and median incomes of nearly \$100K (17% above SEA; 69%

above the US).⁶¹ Subscribing to the view that a given population’s educational attainment is the root of a higher-quality labor market and income-related wealth implies the strength in Irvine’s overarching demographic landscape is due to the strength in its human capital base.

Irvine Exemplifies This Thesis:

- Over 70% of Irvine’s population holds a bachelor’s degree or higher—ranking #1 among large US cities.
- Over 30% of Irvine’s population holds a master’s degree or higher—ranking #2 among large US cities.

Exhibit 4: Educational Attainment Rankings for Large US Cities

Rank (By Share)	City	% Bachelor's Degree or Higher
1	Irvine city, California	72
2	Seattle city, Washington	63
3	Madison city, Wisconsin	60
4	San Francisco city, California	57
5	Washington D.C.	57
6	Plano city, Texas	57
7	Raleigh city, North Carolina	51
8	Atlanta city, Georgia	51
9	Portland city, Oregon	50
10	Durham city, North Carolina	49

Rank (By Share)	City	% Graduate Degree
1	Washington D.C.	33
2	Irvine city, California	32
3	Seattle city, Washington	27
4	Madison city, Wisconsin	27
5	San Francisco city, California	23
6	Durham city, North Carolina	23
7	Atlanta city, Georgia	22
8	Boston city, Massachusetts	21
9	Pittsburgh city, Pennsylvania	21
10	Plano city, Texas	21

Source: American Community Survey 2016 1-Year Estimates. Large cities defined as having populations of over 250K.

⁶⁰ National Center for Education Statistics; 2015, ⁶¹ ACS 2016 1-yr estimates

UC Irvine: Prime Talent Inventory

At the center of Irvine’s human capital strength is UCI, Orange County’s premiere University of California campus. Originally intended as the first “public ivy” (whereby an Ivy-League education could be accessible to all talented young people in California), UCI has established itself as a provider of world-class educational and extracurricular experience.

Enrolled students can choose from 90 undergraduate degree programs, 68 Masters and Professional programs, and 50 PhD programs. UCI was also recently ranked a Top 10 Best Public University for the third consecutive year (#9), hitting both “quantity” and “quality” criteria by all recruiting counts.⁶² Over 30% of the University’s 180,000 alumni live in Orange County, implying UCI is a major supplier of the region’s talent-rich workforce.⁶³

Full time positions for graduates skew technical, with nearly 40% working in the computer science/software development and engineering fields post-graduation. Amazon remains one of the top employers of UCI students.⁶⁴ This past year, companies as varied as The Walt Disney Company, Western Digital, Panasonic Avionics, Google, Apple, Boeing and Applied Medical joined Amazon as top employers by volume of students hired.⁶⁵

UCI is a research-focused university, with 108 dedicated research units

addressing energy, water, technology, human behavior, disease, and quality of life. Distinguished faculty include three Nobel Laureates in science-related fields (two chemistry, one physics), and three winners of the National Medal of Science. Other faculty have been recipients of the National Humanities Medal, Pulitzer Prizes (2), and the Templeton Prize.⁶⁶ There are more than 70 members of the National Academies and the American Academy of Arts and Sciences, and more than 140 fellows of the American Association for the Advancement of Science. Eight physics faculty members were involved with the research that discovered the Higgs boson.⁶⁷ UCI research is also generously supported by the local community, most recently evidenced by a \$200M gift from Susan and Henry Samueli to further the College of Health Sciences, which comprises the School of Medicine, the Sue and Bill Gross School of Nursing, the School of Pharmacy, the School of Population Health and other institutes and research initiatives.

The University also continues to grow. In the next ten years, UCI’s student population is planned to increase by 20% (to 40,000), with 250 top-tier faculty adds.⁶⁸ Given that nearly half of the student population comes from Southern California, this growth implies continued cultivation of talent sourced from local communities.⁶⁹

⁶² US News & World Report (2018 Ranking), ⁶³ UC Irvine Alumni Association, June 2016,

⁶⁴ UCI Career Center 2016-2017 Annual Report, ⁶⁵ UCI Career Center, ⁶⁶ UC Irvine, May 2017,

^{67,68} UC Irvine, ⁶⁹ UC Irvine, Office of Institutional Research, Fall Quarter 2017 enrollment.

UCI–Tech Degrees Abound in Irvine’s Backyard

As a premier research institution, one of UCI’s greatest strengths is its technical talent base. In the same way Irvine represents the best of Orange County’s office market, UCI represents the best of Orange County’s STEM talent—often mimicking, and even exceeding STEM metrics from a variety of top institutions.

Over 40% of UCI’s undergraduate degrees are in STEM-related fields—inline with UC Berkeley (43%), and notably above the University of Washington (34%). By count, UCI graduates the third largest number of STEM degrees in SoCal, with the top two by size (UCLA, UCSD) a short drive away from Irvine.

Exhibit 5: Largest SoCal STEM Degree Granting Universities

Top 10 Rank Information

		Bachelor's Degrees Awarded (#)	
College / University Name	City	STEM Majors	STEM Share (%)
University of California-San Diego	La Jolla	3,263	55
University of California-Los Angeles	Los Angeles	3,138	37
University of California-Irvine	Irvine	2,812	42
California State Polytechnic University-Pomona	Pomona	1,529	36
University of California-Riverside	Riverside	1,423	30
University of Southern California	Los Angeles	1,245	23
California State University-Long Beach	Long Beach	1,148	15
San Diego State University	San Diego	968	14
California State University-Northridge	Northridge	889	12
California State University-Fullerton	Fullerton	639	8

Source: National Center for Education Statistics (2015).

UCI offers a plethora of technical programs for students, with over 65 STEM-oriented research centers across campus. The university is home to the largest combined

Engineering and Computer Sciences program in California (5th largest in the US), and the only computing-focused school in the UC System.

Exhibit 6: UCI STEM Schools and Technical Centers/Programs

School	Annual Enrollment (000s)	Description
School of Physical Sciences	2.4	Chemistry, Earth System Science, Mathematics, and Physics & Astronomy.
Donald Bren School of Information and Computer Sciences	3.2	Only computing-focused school in the UC system. Research focus includes informatics, software engineering, computing, and computer game science.
Henry Samueli School of Engineering	4.3	Research focus includes Communications and Information Technology, Energy and Sustainability, Human Health, and Advanced Manufacturing and Materials. Ranked 21st best public engineering graduate school in U.S. News & World Report.
Francisco Ayala School of Biological Sciences	3.7	Developmental & Cell Biology; Ecology & Evolutionary Biology; Molecular Biology & Biochemistry, and Neurobiology & Behavior.
School of Social Sciences	1.6 (STEM)	STEM-degrees: Cognitive Neuroscience, Cognitive Sciences, Economics, Psychology and Quantitative Economics.

Center	Description
California Institute for Telecommunications and Information Technology	Multidisciplinary research institute in collaboration with UCSD which integrates academic research with industry experience
Beall Center of Innovation and Entrepreneurship	Provides in-depth research and expertise in innovation studies, education and consulting
Beall Center for Art + Technology	Supports research, exhibitions, and public programs that explore new relationships between the arts, sciences, and engineering
Integrated Nanosystems Research Facility (INRF)	Multidisciplinary research and development of technology for integrated micro- and nanosystems
FABWorks	One of the nation’s first “Make Labs” on a university Campus.
UCI Applied Innovation	50-year history of connecting UCI to industry – 950 inventions included in portfolio, 400+ active US patents
Cybersecurity Policy and Research Institute	Brings together academia, critical infrastructure businesses, law enforcement, government agencies, and civil liberties communities in a unified effort to combat cyber threats

UCI also houses a variety of programs geared toward STEM advancement at the K-12 and community college level.

Exhibit 7: Sample of Technically Geared Community Programs

Community Programs With Technical Skew	Description
Financial Literacy Summer Residential Program	Hosted by Paul Merage School of Business. 8th- and 9th-graders from low-income backgrounds live on campus for a week, learning the basics of handling money
Academic Innovation and Research in Engineering	\$5 million grant to enhance UCI's K-12 and community college outreach to promote interest in STEM fields
California State Summer School for Math & Science (COSMOS)	Provides intensive learning and discovery in a four-week high school residential program on the UCI campus to motivate and encourage talented students in math and science and support college and career goals in STEM
INSPIRE	Samueli School of Engineering and the Donald Bren School of Information and Computer Sciences host a 2-week program for community college students providing hands-on training in coding, designing, and prototype testing
STEM Women and Minorities	Partnership with Irvine Valley College, Santa Ana College, and Saddleback College to improve the recruitment and retention of women and underrepresented minorities in STEM majors
Summer Scholars Research Program (SSRP)	Undergraduate research program that links Santa Ana College students with UCI faculty members in a six-week research program. Participants conduct original research in student teams. Ninety-eight percent of participants transfer to a four-year institution upon completion of the program
Irvine Math Project (IMP)	Partners with a broad range of schools and districts across Orange, Los Angeles and San Diego counties to provide content-based professional development. IMP designs hands-on conceptual lessons, unit outlines and course outlines aligned to Common Core math standards, K-12
Expressive Robotics, Beall Center for Art + Technology	Two week middle/high school aged summer program focused on the development of robotic behaviors through programming and design, in a collaborative team setting. Students experience programming and code through exercises in body movement, flow charts, pseudo code creation, and more.



CONNECTED
REGIONAL HUB
Southern California Transportation

IRVINE:
Designed for the Future

In Irvine, planning for growth has been a catalyst to support a well-connected, efficient, multimodal transportation infrastructure. Each of the city's urban villages and business districts is interconnected by a network of

highways, roads, mass transit and bike and pedestrian connectors. Furthermore, Irvine's location in the center of Southern California provides its residents and businesses easy access to the region and the world.



Highway Accessibility

Three freeways—Interstates 405 and 5, and California State Route 55—provide excellent access within the city and county and to Los Angeles, San Diego and the Inland Empire for the efficient movement of people and goods.

An established system of toll roads, CA-73, CA-133, CA-241, CA-261, complement the freeways and provide convenient avenues for commuting within Irvine and between surrounding communities.

Irvine Spectrum lies at the intersection of I-405, I-5 and SR-133, creating one of the most efficient transit zones in California. From Irvine Spectrum, the surrounding

communities, villages, business districts and beaches can be accessed within minutes.

To add to an already superior transportation system, Orange County is targeted for significant highway improvement funding from state and county agencies. The 10-year plan includes \$11 billion in highway improvements, \$3 billion of which is already underway.

Over the past 10 years, the City of Irvine has approved over \$160 million in transportation improvements. Going forward, over \$40 million in improvements in the city alone are planned through 2019.

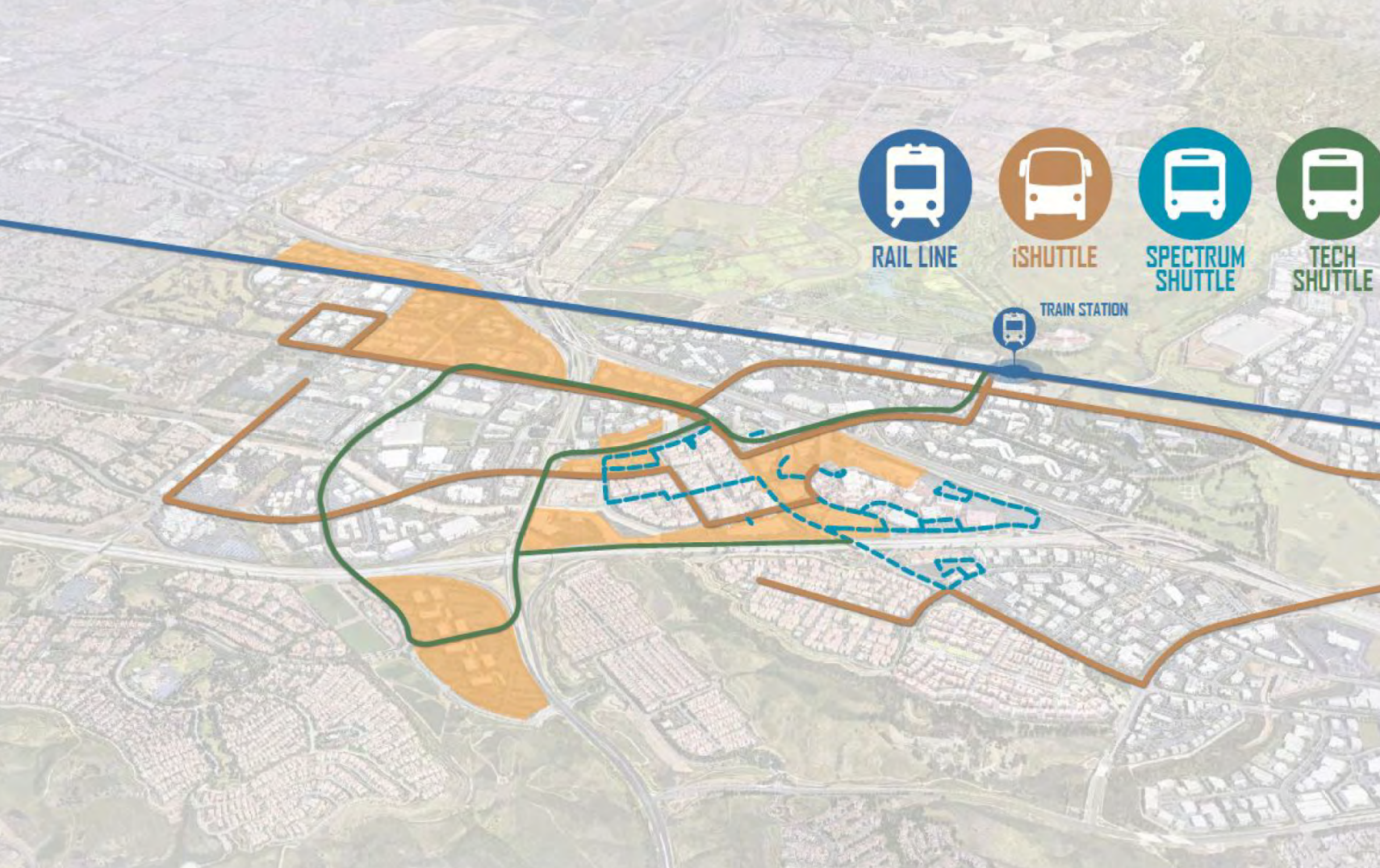
Airport Accessibility

John Wayne Airport, located adjacent to the Irvine Business Complex, serves more than 10 million passengers annually and reaches more than 20 nonstop destinations in the United States, Canada and Mexico. The airport has direct flights to Seattle, the Bay Area, and the New York area. The airport is less than 20 minutes from Irvine Spectrum.

Forty-five minutes north of Irvine, Los Angeles International Airport is the fifth

busiest airport in the world and second busiest in the United States. Serving more than 80 million air travelers per year, it provides connections to over 150 cities around the globe.

Irvine is also proximate to four other airports—Long Beach Airport, Ontario International Airport, Burbank Airport, and San Diego International Airport—providing numerous additional connectivity options.



Mass Transit Accessibility

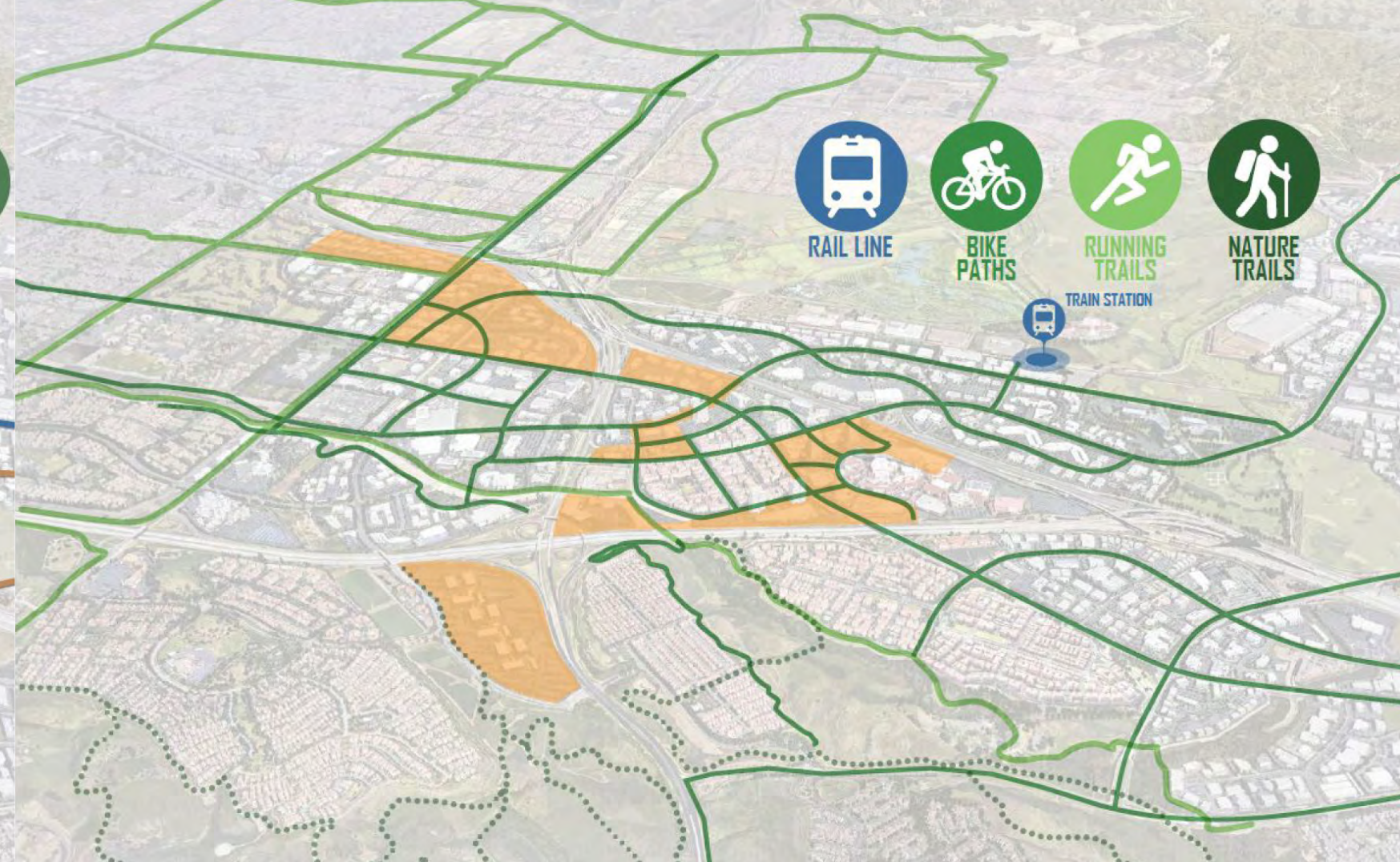
Two train stations serve Irvine—one in Irvine Spectrum and one in nearby Tustin—providing access to Metrolink, commuter rail and Amtrak.

Irvine Station has a total annual ridership of nearly 1.2 million passengers. The station is the second busiest in Orange County, sixth-busiest in California, and 24th-busiest in the US.

The Orange County Transportation Authority operates buses in Irvine that efficiently connect residences, retail destinations and workplaces throughout the city and region. The award-winning iShuttle, a commuter-oriented bus, connects residences, employment centers, Irvine Spectrum Center and Irvine Station.

Spectrumotion is a public/private partnership that helps Irvine Spectrum commuters and residents organize and join carpools and vanpools and coordinate bus and train commutes. Since 1986, this partnership has been an integral component of Irvine's commitment to advancing research, incentives and initiatives aimed at providing effortless urban connectivity without congestion.

Irvine continues to support academic research exploring autonomous driving technology through an ongoing relationship with the Institute of Transportation Studies at UC Irvine. This partnership will help enable Irvine to continue to be on the cutting edge of mobility solutions.



Bicycle and Pedestrian Connectivity

Irvine's bikeways total over 360 miles, comprising 62 miles of off-street and 301 miles of on-street bike lanes. Included in this system is the famous Mountains to Sea Trail, a 22-mile stretch traversing some of the most beautiful open space in California.

As an amenity for residents and employees of Irvine Company communities, the Irvine Spectrum features a bike share program, with nearly 200 bikes and a dozen stations for convenience, to leverage the extensive network of dedicated bike trails and lanes available in the area to explore. In 2017, the city earned a Silver Level Bicycle Friendly Community designation from the League

of American Bicyclists. The Metrolink train system that runs through Irvine Station elected to include dedicated bike cars to further enable effortless bicycle commutability for Irvine's residents and workers.

Pedestrian connectivity is reflected in the 900 miles of pedestrian walkways that connect nearly every street leading to homes, businesses, recreation and retail in the 66-square-mile city. With one-third of the city dedicated as open space, Irvine also offers extensive recreational trails, greenbelts, walking and biking paths across and between the interconnected villages.

UTILITIES, INFRASTRUCTURE & COMMUNICATION

High-Speed Internet: Irvine is a Fiber-Rich Community

Since the 1980s, Irvine has been installing carrier-grade, underground conduit that interconnects both residential and commercial properties. Today, Irvine is fiber-rich, with thousands of miles of conduit already installed and being utilized to densify fiber optic deployments in the area.

This groundwork that was laid over 30 years ago enables Irvine to be a leader in technology and connectivity today and for decades to come as the city works toward becoming the most connected real estate portfolio in the country.

A number of private firms, including Google Fiber, Wilcon, Southern California Edison, AT&T and Cox Communications have also invested in significant fiber deployments.⁷⁰

Google Fiber has selected Irvine as one of only 10 initial Google Fiber communities in the United States and the Irvine Spectrum is home to the first West Coast installation of Google Fiber in an office building. Google Fiber, providing up to 1,000 Mbps connection speeds, is actively building out their network and expanding their customer base throughout Irvine residential and commercial properties.⁷¹

In addition, Cox Communications is pursuing gigabit Internet to all residential customers in Irvine by the end of 2018.⁷²

70, 71, 72 Irvine Company

Irvine Cellular Coverage: Blanketed by All Major Providers and Prepared for 5G

Irvine's varied landscape is broadly covered by both 3G and 4G LTE cellular technology by the four major Mobile Network Operators, ensuring the highest level of productivity, safety and satisfaction for all residents, tenants, employees, and guests.⁷³

Irvine's abundant fiber infrastructure connecting geographically dense

properties presents an opportunity to deploy small cells and other technologies that will position Irvine to be among the earliest adopters of next generation 5G networks.⁷⁴ The fiber currently in-place will allow densification of antennas required for 5G network implementation with less disruption to physical infrastructure compared to other cities.

Irvine 4G Cellular Coverage Maps:



73, 74 Irvine Company

In-Building Infrastructure: Flexible Access for Wireless Networks

From an enterprise perspective, Irvine Company can build flexible access infrastructure to enable the needs of Amazon and providers alike. This

infrastructure will be the basis for high performing in-building and near-building licensed, unlicensed and shared spectrum wireless networks.

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A ONE-CLICK HQ2

Irvine Company Owner & Capital Structure

Amazon is a unique company that has transformed how the customer thinks about its purchases and the shopping experience overall. Similarly, Irvine Company is a unique company that master plans and develops infrastructure decades in advance for communities that transform how the customer thinks about and uses real estate. We develop, construct and operate our office properties, apartment communities and retail centers to create synergistic ecosystems that will be as vibrant and relevant tomorrow as they are today.

Founded over 150 years ago principally as a ranching and agricultural company, Irvine Company today is a master planner and builder of communities designed to thrive for generations to come. Irvine Company created and began its master plan for The Irvine Ranch in 1960. The buildout of the master plan is still in process today. As a privately held company organized to exist in perpetuity, Irvine Company is not driven by quarter-over-quarter results or undue influences from outside investors like so many of our institutional real estate peers. We are planners, developers and creators of master plans that are world renown, as some of the best places to live, work and play in the US.

Under the ownership of Chairman Donald Bren, Irvine Company has grown to be the largest privately held real estate development, operating and investment company in the US. The financial strength and private ownership structure of Irvine Company enable us to remain intently focused on our customer and to create vibrant communities, workplaces and retail centers that reflect our foundation and core as a master planner. The synergies we create in the master plan and our communities provide leading-edge companies a platform for innovation and a strong competitive advantage in today's high velocity marketplace.

So why is all this relevant to a company like Amazon? First, as a private company, we have an entrepreneurial outlook that enables us to think beyond just the physical structures necessary to build a large corporate headquarters. Further, our private company status allows us to be flexible and nimble in the decision-making process. Second, we have the financial wherewithal and capacity to structure a deal that can provide Amazon the full scope of requested facilities on a staggered timeline consistent with its business plan. Irvine Company is uniquely suited, both financially and operationally,

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to deliver this workspace community to Amazon without the requirement that Amazon, itself, get into the real estate business. Simply stated, Irvine Company has the ability to structure a long-term, staggered lease transaction with Amazon to eliminate the need for Amazon to make a substantial outlay of upfront equity. This would also eliminate the requirement to have significant real estate assets added to its balance sheet.

At Irvine Company we would look at this type of transaction not just as a long-term lease, but as a long-term investment by our company in Amazon. Irvine Company would be analogous to a long-term bond holder in Amazon. Instead of lending cash, Irvine Company would exchange its investment in a carefully crafted

and bespoke workplace community in return for the right to receive an agreed upon stream of payments over a fixed timeframe.

Finally, with Irvine Company's status as a perpetual company without outside investors, Amazon and Irvine Company would enter into not simply a real estate transaction, but a long-term and mutually beneficial business relationship. Unlike other real estate developers, as a perpetual company and long-term owner, Irvine Company's investment in HQ2 would be built to last. We feel that these attributes, namely, our private, perpetual and entrepreneurial ownership, our deep financial resources, and our master planning roots, make Irvine Company the right partner for Amazon on HQ2.

MODERN & SUSTAINABLE BUILDING PRACTICES

Pioneers in Sustainable Development

Irvine Company and the City of Irvine have been pioneers in resource conservation and sustainable development for more than half a century. From water conservation and water quality, to energy management and Leadership in Energy & Environmental Design (LEED)-certified office buildings, industry-leading practices in Irvine underscore an uncommon commitment to protecting and enhancing natural resources.

Irvine Company is the largest owner of LEED-certified buildings in California, and is ranked first nationally by the Environmental Protection Agency for energy-efficient buildings.

Over 18 million square feet of office space in 60 buildings has been awarded LEED certification by the US Green Building Council—a designation reserved for the highest performing, most sustainable buildings.

Irvine Company has a long history of investing in sustainable technologies.

Since the 1980s, every Irvine Company retail, office and apartment community in Irvine has used reclaimed water for its landscaping. The company has also made it a priority to incorporate water and energy saving features within its properties.

The company has been a pioneer in “smart” irrigation, incorporating since 2000 advanced irrigation controllers, drip and low-flow water-delivery equipment, and satellite-based weather monitoring systems into its properties.

Since 2016 alone, over 230 million gallons of water have been saved through the retrofit of water efficient fixtures into 16,000 units across the company's older apartment communities.

In addition to investing in a sustainable built environment, Irvine Company has planted one million trees over the last 50 years. This investment has reduced urban heat effects, sequestered carbon and improved biodiversity.

Energy Efficiency Leaders

In 2015, Irvine Company launched an initiative to become the world's first major real estate company to create a fleet of hybrid-electric buildings—in partnership with Advanced Microgrid Solutions—powered by state-of-the-art energy storage systems from Tesla Energy.

This system reduces peak-energy demand from local utilities and has saved

the equivalent energy usage of 10,000 homes.

In addition to this system, 100% of Irvine Company's high-rise properties have achieved ENERGY STAR certification and over 6.5 million square feet are included in an innovative performance monitoring network.

